



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

The Bankers magazine



THE NATIONAL BANK OF ILLINOIS.—CHICAGO
 Capital, \$1,000,000. GEO. SCHNEIDER, President. WM. A. HAMMOND, Cashier.
 Surplus & Profits, 1,015,000. WM. H. BRADLEY, Vice Pres't. CARL MOLL, Asst. Cashier.
 HENRY D. FIELD, Ad. Asst. Cashier.

Established in 1846.

THE

BANKER'S MAGAZINE

V. 47
 Complete

IV.—Financial Facts and Opinions.....	14
V.—The Judicial Meaning of the National Bank Act.....	19
VI.—Bankers' Conventions.....	25
VII.—The Responsibility Attaching to Bank Officers.....	37
VIII.—State Depositories and the Regulation of the Deposit of Public Money.....	40
IX.—Movement of the Precious Metals.....	43
X.—Collection.....	49
XI.—Certificate of Deposit—Payment of Forged Indorsement.....	51
XII.—Deposits.....	56
XIII.—Legal Miscellany.....	58
XIV.—Banking and Financial Items.....	60
XV.—New Banks, Bankers, &c.....	59
XVI.—Prices of Stocks and Bonds in June.....	80

MONTHLY, FIVE DOLLARS PER YEAR.

HOM PUBLISHING COMPANY,

233 ROADWAY, NEW YORK.

THE LONDON AGENCY of the Banker's Magazine is at the office of The Economist, 340 Strand, W. C.—American subscriptions to The Economist are received at the office of The Banker's Magazine, New York.

MERCHANTS' BANK

OF CANADA.

Capital, Paid Up - - - - - \$5,799,200
Reserve Fund, - - - - - 2,635,000

HEAD OFFICE, - - - - - MONTREAL,

BOARD OF DIRECTORS.

ANDREW ALLAN, Esq., *President.* ROBERT ANDERSON, Esq., *Vice-President.*
HECTOR MACKENZIE, Esq. JONATHAN HODGSON, Esq. JOHN CASSILL, Esq. JOHN DUNCAN, Esq.
H. MONTAGU ALLAN, Esq. J. P. DAWES, Esq. T. H. DUNN, Esq. SIR JOSEPH HICKSON.
GEORGE HAQUE, General Manager. JOHN GAULT, Asst. Gen'l Manager.

BRANCHES IN ONTARIO AND QUEBEC.

Belleville,	Gananoque,	Kingston,	Ottawa,	Quebec,	St. John's, Q.
Berlin,	Hamilton,	London,	Owen Sound,	Renfrew,	St. Thomas,
Brampton,	Ingersoll,	Montreal,	Perth,	Sherbrooke, Q.	Toronto,
	Kincardine,	Mitchell,	Prescott,	Stratford,	Walkerton,
Chatham,		Napanee,			Windsor.
Galt,					

BRANCHES IN MANITOBA.

Winnipeg. Brandon.

Bankers in Great Britain.—London, Glasgow, Edinburgh and other points, The Clydesdale Bank, (Limited). Liverpool Commercial Bank of Liverpool, (Limited).

Agency in New York.—61 Wall St., Messrs. Henry Hague and John B. Harris, Jr., Agents.

Bankers in United States.—New York, Bank of New York, N. B. A.; Boston, Merchants National Bank; Chicago, American Exchange National Bank; St. Paul, Minn., First National Bank; Detroit, First National Bank; Buffalo, Bank of Buffalo; San Francisco, Anglo-Californian Bank.

Newfoundland.—Commercial Bank of Newfoundland.

Nova Scotia and New Brunswick.—Bank of Nova Scotia and Merchants Bank of Halifax.

British Columbia.—Bank of British North America.

A GENERAL BANKING BUSINESS TRANSACTED.

Letters of Credit issued, available in China, Japan, and other foreign countries.

THE CANADIAN BANK of COMMERCE.

HEAD OFFICE, TORONTO.

Paid-up Capital, \$6,000,000. Rest, \$1,000,000.

DIRECTORS.

GEO. A. COX, Esq., *President.* JOHN I. DAVIDSON, Esq., *Vice-President.*
George Taylor, Esq. John Hoskin, Esq., Q. C., LL.D. W. B. Hamilton, Esq.
Jas. Crathern, Esq. Robt. Kilgour, Esq. Matthew Leggat, Esq.
B. E. WALKER, General Manager. A. H. IRELAND, Inspector.
J. B. PLUMMER, Asst Gen. Manager. G. DE C. O'GRADY, Asst Inspector.
New York—ALEX. LAIRD and WM. GRAY, Agents.

BRANCHES.

Galt.	Orangeville.	Strathroy.	265 College St.,
Goderich.	Ottawa.	Thorold.	415 Parliament St.
Guelph.	Paris.	Toronto.	Walkerton.
Hamilton.	Parkhill.	Head Office,	Walkerville.
Jarvis.	Peterboro.	19-25 King St. W.	Waterloo.
London.	St. Catharines.	City Branches.	Windsor.
Montreal.	Sarnia.	713 Queen St. E.,	Woodstock.
Main Office,	Sault Ste. Marie.	448 Yonge St.,	
157 St. James St.	Seaford.	791 Yonge St.,	
City Branches,	Simcoe.	546 Queen St. W.	
2034 Notre Dame St.,	Stratford.	128 King St. E.	
276 St. Lawrence St.			

Commercial Bank of Canada, established for use in Europe, the East and West Indies, China, Japan and South America.
Sterling and American Exchange bought and sold. Collections made on the most favorable terms. Interest allowed on Deposits.

BRANCHES AND CORRESPONDENTS.

GREAT BRITAIN—The Bank of Scotland.
INDIA, CHINA AND JAPAN—The Commercial Bank of India, Australia and China.
AUSTRALIA AND NEW ZEALAND—The Commercial Bank of Australia.
PARIS, FRANCE—Lazard Freres & Co.
BRUSSELS, BELGIUM—J. Matthieu & Co.
SAN FRANCISCO—The Bank of British Columbia

NEW YORK—The American Exchange National Bank of New York.
CHICAGO—The American Exchange National Bank of Chicago.
DULUTH—First National Bank.
BRITISH COLUMBIA—The Bank of British Columbia.
HAMILTON, BERMUDEA—The Bank of Bermuda.
KINGSTON, JAMAICA—Bank of Nova Scotia.

THE
BANKER'S MAGAZINE
"
AND
STATISTICAL REGISTER.

"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

"The revenue of the State is THE STATE; in effect, all depends upon it, whether for support or for reformation."

"Rightfully considered, no principle is more conservative than that which identifies the laborer with the capitalist."

VOLUME FORTY-SEVENTH

OR,

VOL. TWENTY-SEVENTH OF THE THIRD SERIES.

FROM JULY, 1892, TO JUNE, 1893, INCLUSIVE.



NEW YORK:

PUBLISHED MONTHLY BY HOMANS PUBLISHING CO., No. 233 BROADWAY.

1892-1893.

HG1501
B3
v. 47

GENERAL INDEX

TO THE
FORTY-SEVENTH VOLUME
OF THE
BANKER'S MAGAZINE AND STATISTICAL REGISTER,
FROM
JULY, 1892, TO JUNE, 1893, BOTH INCLUSIVE.

Complete copies of the present volume can be supplied by the HOMANS PUBLISHING COMPANY. Price, in numbers, \$5; or, substantially bound, \$6.50. Single numbers, fifty cents each.

Bound volumes will be given in exchange for the numbers, at the office, No. 233 Broadway, New York, at the charge of \$1.50 for binding.

Subscribers who have not heretofore bound their numbers are earnestly recommended to do so. The value of the Magazine is greatly enhanced when thus preserved for future reference.

A.

- Abolition of days of grace, 1, 14, 414.
- Acceptance of check by telegram, 424.
- Accumulation of coal stocks, 89.
- Accumulations of gold at Paris, 574.
- Active demand for currency, 88.
 - use of gold, 801.
- Activity in general business, 327.
 - in stock market, 567.
- Address before the American Bankers' Association, 267.
- Administration of French finances, 853.
- Affidavit of debt, 19.
- Agent's indorsement of checks, 668.
- Agricultural products, 490.
- Aim of American Bankers' Association, 1.
 - of the free coinage act, 98.
- Alabama bankers' convention, 135.
- Alternative tax on shares or value of stock, 113.
- Amendment to Illinois State law, 694.
- American Bankers' Association, 412.
- Amount of silver purchased during year, 812.
 - of currency per capita, 894.
- Annual meeting of Canadian bankers, 34.
 - report of Connecticut banks, 577.
- Another plan for settling the silver question, 412.
- Anthracite coal combination, 174.
 - coal trade, 569
- Anti-option bill, 12.
- Appellate Court of Indiana, 272.
- Application of indorser's deposit, 203.
- Applications for National banks, 77, 157, 238, 318, 396, 478, 555, 638, 717, 796, 876, 956.
- Appreciation of gold and depression of trade, 721, 801.
- Appropriations for the year, 17.
- Armstrong, Geo. D., death of, 777.
- Arrangement for collecting checks, 420.
- Assessment against shareholders, 113.
 - of National banks, 112, 842.
 - of surplus, 113.
- Assets and liabilities in published statements, 676.
- Assignment of deposit, 615.
- Attachment against National banks, 25, 685.
- Austrian bank crisis, 900.
- Austrian monetary system, 256.
- Authority of bank examiner, 111.
 - of bank officers, 110.
 - of receivers, 26.
- Automatic currency doctrine, 93, 561.
- Average daily business of our banks, 370.
 - crop prospects, 893.

B.

- Bad banking in Italy, 664.
 Balance of trade, 9, 247.
 Bank bill of Georgia, 578.
 • bill of North Carolina, 579.
 • bills in France, 451.
 • circulation in England, 244.
 • collections, 4, 100, 186, 257, 340, 352, 417, 497, 565, 581.
 • credits, 535.
 • crisis in Australia, 900.
 • examinations, 111.
 • examinations by non-experts, 176.
 • examiners, 894.
 • note circulation, 93, 650.
 • note currency, 761.
 • note inflation, 603.
 • officers' responsibility, 37.
 • of Montreal, 378.
 • of North America, 746.
 • of St. George and Columbus, 507.
 • of Venice, 507, 536.
 • taxation, 92, 176, 465.
 • statement, Boston, 68, 150, 232, 312, 392, 473, 552, 633, 707, 775, 867, 944.
 • statement, New York, 68, 150, 232, 312, 392, 473, 552, 633, 707, 775, 867, 944.
 • statement, Philadelphia, 68, 150, 232, 312, 392, 473, 552, 633, 707, 775, 867, 944.
 Bankers' Association and law reform, 1.
 • conventions, 29.
 • in favor of Nicaragua Canal, 284, 295.
 Banking and financial items, 60, 141, 224, 306, 386, 467, 545, 627, 702, 776, 860, 934.
 • and insurance organizations, 161.
 • and building societies, 241.
 • as a profession, 380.
 • capital of California, 254.
 • during the Colonial period, 741.
 • in Lynn, Mass., 304.
 • in North Dakota, 580.
 • in the future, 481.
 • institutions of Lawrence, Mass., 210.
 • interests of the country, 403.
 • legislation, 175.
 • morals, 448.
 • on securities, 599.
 • principle, 597.
 • principle *v.* currency principle, 561.
 • profits abroad, 95.
 Banks and the money market, 248.
 • and the Treasury, 884.
 • bankers, and savings banks, new, 60, 151, 235, 313, 394, 475, 553, 635, 708, 790, 874, 945.
 • new National, 76, 157, 238, 318, 398, 478, 559, 635, 717, 797, 878, 956.
 • of Kansas, 18.
 • right to purchase notes, 918.
 Relief regarding National banking system, 481.
 Bell, Richard, death of, 470.
 Bill against option dealing, 12.
 • for establishing State bank circulation, 578.

- Bill for free coinage, 114.
 • for redemption of bank notes, 175.
 • of lading accompanying a draft, 427.
 • to protect minority stockholders, 487.
 Bills of exchange, 609.
 Bimetallic money conference, 407.
 Bimetalism in Europe and India, 849.
 Bingham, Chas. L., death of, 471.
 Bispham, E., death of, 468.
 Blockade in grain, 328.
 Bogus bank and insurance organizations, 161.
 Bona fide holders of notes, 828.
 Bonded debts, 486.
 Bonds of the French Republic, 217.
 • to replenish the Treasury, 575.
 Book notices, 220, 381, 774.
 Boston bank statement, 68, 150, 232, 312, 392, 473, 552, 633, 707, 775, 867, 944.
 Branch system of banking, 138.
 Break-down of competition, 81.
 British investments in American industries, 338.
 Brodhead, N. E., death of, 226.
 Brussels monetary conference, 486.
 Building associations, 241.
 • of railroads, 96.
 Bullion in European banks, 496.
 • reserve, 739.
 Business centralization, 213.
 • affected by presidential election, 401.
 • and the banks, 881.
 • of the California banks, 254.
 • of State banks, 572.
 • of transportation companies, 644.
 Butler, C. S., death of, 864.
 Buying bad money, 596.
 • trust stocks, 172.

C.

- California bank deposits, 254.
 • bankers' convention, 294.
 Call and time rates for money, 330.
 Canadian Bankers' Association, 34.
 • banking, 138.
 Capital and surplus taxed, 113.
 • circulation and specie of State banks, 666.
 • furnished by banks, 882.
 • of our railroads, 165.
 • of State banks, 572.
 Capitation tax, 929.
 Carrying trade of Europe, 495.
 Cause of the movement of precious metals, 43.
 Causes of bank failures, 514.
 • of depression in trade, 721.
 • of French revolution, 853, 929.
 • of gold exports, 9.
 • of the late stringency, 729.
 Centennial of banking, 374.
 Centralization of business, 213.
 Ceremony of the trial of the pyx, 625.
 Certificate of deposit, 51, 909.
 • of deposit issued before incorporation, 276.
 • of deposit paid by insolvent National bank, 839.

- Certification of checks, 834.
 Certified checks, 201.
 Change in banking system, 403.
 ▪ in grain markets, 570.
 Changes, dissolutions, etc., 78, 158, 239, 318, 398, 479, 558, 639, 718, 797, 879, 957.
 ▪ in business legislation, 401.
 ▪ in Germany, 544.
 ▪ or president and cashier, 72, 154, 233, 315, 393, 474, 554, 634, 710, 783, 868, 949.
 Character of bank officers, 448.
 Charging for collections, 368.
 Charter of United States Bank, 905.
 Check accepted by telegram, 424.
 ▪ deposited in bank, 360.
 ▪ to general speculation, 647.
 Checks indorsed by agent, 668.
 Chicago corner in wheat, 809.
 Chinese commercial crisis, 96.
 Circuit Court, D. Massachusetts, 119, 121, 123, 350.
 ▪ Court of Appeals, 424, 609.
 ▪ Court of Appeals, Third Circuit, 356.
 ▪ Court of Cook Co., 685.
 ▪ Court, S. D. California, 619.
 ▪ Court, S. D. New York, 430.
 Circulating notes, 765.
 Circulation of Germany, 850.
 ▪ of State bank notes, 93, 321.
 City and country banks, 890.
 ▪ deposits drawing interest, 816.
 Clement, Stephen M. C., death of, 387.
 Coal and iron trades, 89, 174.
 ▪ trade, 492, 644.
 Coinage of gold and silver bullion, 114.
 ▪ of silver bullion, 812.
 ▪ of the mints, 381*, 658.
 Cold weather and the coal trade, 569.
 Collapse in the shipbuilding trade, 339.
 ▪ of the Industrials, 806.
 Collecting interest on public money, 14.
 Collection of debts in the West, 817.
 ▪ of note, 4.
 ▪ of notes and drafts, 100.
 Collections, 49, 119, 121, 123, 670, 920.
 Colonial banks, 741.
 Commercial arbitration, 736.
 ▪ effect of trusts, 82.
 ▪ high schools, 283.
 Committee on bank taxation, 465.
 Comparison of produce markets, 331.
 Compensation of mutual demands, 435.
 Competition, 723.
 ▪ among banks, 92.
 ▪ in banking, 136.
 Comptroller Hepburn's recommendations, 484.
 Condition of French finances, 853.
 ▪ of Italian banks, 664.
 ▪ of Kansas banks, 18.
 ▪ of our National finances, 641, 805.
 ▪ of the stock market, 495.
 ▪ of the Treasury, 16.
 Conditional payment by check, 186.
 Conditions of American railroads, 165.
 ▪ of the crops, 169.
 Conference at Brussels, 407.
 Confidence of business men, 567.
 Conformity of law to present needs, 2.
 Congress and bank-note circulation, 735.
 ▪ and the National banking system, 650.
 ▪ of bankers, 887.
 ▪ of the bankers of the world, 338.
 Connecticut bank report, 577.
 Consequence of small margin of profits, 819.
 Consequences of inflating the currency, 323.
 Continuance of National bank circulation, 650.
 Continuing the National banking system, 481.
 Contracts with receiver, 26.
 Convention of American Bankers' Association, 281.
 ▪ of Colorado bankers, 214.
 Conventions of bankers, 29.
 ▪ of State bank associations, 92, 131.
 Conversion of State into National bank, 127.
 Co-operation for collecting checks, 92.
 Co-operative banking associations, 161.
 ▪ societies, 241.
 Corner in wheat, 732.
 Correspondent banks, 368.
 Corporation methods applied to business, 898.
 Cost of carrying gold, 224.
 ▪ of taxation, 296.
 Cotton boom, 571.
 ▪ manufacturing, 414.
 ▪ market, 10.
 Countries having pure gold standard, 849.
 Course of silver, 697.
 Court of Appeals, New York, 56, 52c, 615, 686, 839, 909.
 ▪ of Errors and Appeals of New Jersey, 841.
 Craze for trust stocks, 172.
 Credit and commerce, 535.
 ▪ currency, 541.
 ▪ paper system of United States, 284.
 ▪ system, 370.
 Criminal application of funds, 21.
 ▪ offenses, 19.
 Crisis in our currency problem, 805, 806.
 ▪ in Australian banks, 900.
 Criticism of New York banks, 884.
 Crop outlook of Europe, 8.
 ▪ prospects and produce markets, 893.
 Crops at home and abroad, 169.
 Currency principle, 563, 597.
 ▪ per capita, 894.
 Cutting railway rates, 250.

D.

- Daily average business of our banks, 370.
 Damage by floods, 646.
 Days of grace, 14.
 Dear gold, 335.
 Deaths, 79, 159, 239, 319, 399, 479, 559, 639, 719, 799, 867, 944.
 Decision of United States Supreme Court, 672.

Decline in British shipbuilding, 338.
 • in gold production, 811.
 • in prices of land products, 740.
 • in profits of cotton manufacturing, 414.
 • in railway shares, 646.
 • of silver, 253.
 • in speculation, 415.
 • in the rupee, 15.
 Decrease in bank deposits, 249.
 Deduction of National securities, 181.
 Defeat of the free coinage act, 98.
 • of the silver bill, 87.
 Delay in transportation, 644.
 Delivery of bill of lading, 427.
 • of pass-book to donee, 756, 758.
 Demand and supply, 803.
 • for currency, 248.
 Depletion of National revenues, 481.
 Deposit assigned by check, 615.
 • in insolvent bank, 435.
 • in joint name, 755.
 • in the name of another, 756.
 • in trust, 754.
 • on trust, 682.
 Depositor's preference from insolvent bank, 751.
 Deposits, 56.
 • and purchases at the mints, 381*.
 • in French savings banks, 662.
 • in Scotch banks, 695.
 • of California banks, 254.
 • of New York City banks, 891.
 • of public money, 14.
 • of savings banks, 576.
 • set off, 108.
 Depreciated silver in France, 851.
 Depression in export markets, 170.
 • of trade and appreciation of gold, 721.
 Description of bank failures, 514.
 Development of credit currency, 541.
 • of gold fields, 416.
 Developments in business situation, 566.
 Difference between banks and trust companies, 297.
 Differences between Canadian and United States banking, 138.
 Diminished profits in production, 819.
 • revenues, 641.
 Direction of our legislation, 484.
 Disappearance of gold, 663.
 Disbursements in November, 333.
 Discussion upon banking morals, 448.
 • upon State bank circulation, 287.
 Distinction between indorsements, 417.
 Distribution of silver dollars, 382*.
 Dividends to railroad shareholders, 165.
 Double standard States, 851.
 Draft, acceptance, and revocation, 841.
 Drafts for acceptance, 497.
 • payable at collecting bank, 100.
 Drawer of certified check, 201.
 Dry goods trade, 333.
 Dullness in business, 7.
 • in produce markets, 649.
 • in the stock market, 495.
 Duties of foreign bank, 258.
 • on raw materials, 402.
 Duty of agent, 497.

E.

Early methods of banking, 824.
 Earning power of our railroads, 329.
 Earnings and expenditures at the mints, 382*.
 Eastern bank items, 61, 143, 225, 307, 386, 467, 546, 627, 703, 777, 860, 934.
 • money markets, 890.
 Easy money market, 729.
 Economic notes, 139, 217, 543, 625, 859.
 • publications, 580.
 Education of business men, 282.
 Effect of attachment against National banks, 25.
 • of indorsement "for collection," 272.
 • of railroad building on business, 96.
 • of the cholera scare, 246.
 • of the decline of silver, 253.
 • of the Sherman law, 806.
 • of trusts, 82.
 Effects of the election on business, 401.
 • of the par-point system, 290.
 • of the Reading failure, 648.
 Election laws, 404.
 • not affecting business, 405.
 Embezzlement, 19, 20.
 English system of bank circulation, 244.
 Enormous traffic of railways, 409.
 Establishing a colonial bank, 741.
 Establishment of Bank of North America, 746.
 • of Bank of Venice, 507.
 • of savings banks in Great Britain, 452.
 European and American railroads, 165.
 • carrying trade, 495.
 • States of the Latin Union, 851.
 Examinations by shareholders, 111.
 Excessive bank assessments, 176.
 Exchange of products, 723.
 Exchanges in Illinois, 691.
 • through Clearing House, 562.
 Execution on judgment, 766.
 Exemption of property from taxation, 520.
 Existing special schools, 283.
 Expansion of the currency, 322.
 Experience of a paying teller, 443.
 Experiment in coal trade, 492.
 Expiration of United States Bank charter, 826.
 Export trade and its prospects, 808.
 Exports of gold, 9, 249, 663.
 • of wheat from India, 489.
 Extending the National banking system, 482.

F.

Failure of a great bank, 804.
 • of banking and building societies, 241.
 • of banks and bankers. [See changes, dissolutions, etc.]
 • of monetary conference, 486.
 Failures in business, 805.
 • of Italian banks, 664.
 • of National banks, 95.
 • on London Stock Exchange, 891.

Fairness in exchange, 723.
 Falling off in silver production, 574.
 False entries, 21, 22.
 Farm mortgages in Minnesota, 336.
 Features of Comptroller's report, 572.
 Federal supervision of banks, 735.
 Fees for trustees of savings banks, 94.
 Field, Robert M., death of, 936.
 Figures for imports and exports, 9.
 Financial causes of French Revolution, 853, 929.
 • crisis extending westward, 888.
 • education, 282.
 • facts and opinions, 14, 52, 175, 253, 334, 412, 484, 572, 662, 735, 812, 894.
 • outlook, 891.
 • position of the Reading, 648.
 Finances of Mexico, 898.
 First heavy bank failure, 825.
 • United States Bank, 748.
 Forecast of business for the coming year, 567.
 Foreign bank items, 67, 148, 232, 473, 552, 633, 782, 943.
 • buying in stock market, 567.
 • organizations of workingmen, 163.
 Forgery, 272.
 Formation of Specie Bank, 745.
 • of trust companies, 303.
 Forms of unfriendly discrimination, 179.
 Foundation of bank circulation, 561.
 Free banking in England, 244.
 • banking in the West, 595.
 • banking law of New York, 594.
 • coinage act, 98.
 • coinage of gold and silver, 114.
 Freight traffic of our railroads, 494.
 French bank bills, 451.
 French, F. O., death of, 778.
 French postal savings banks, 545.
 Fry, Chas. M., death of, 471.
 Future earning power of our railroads, 329.
 • of banking, 481.
 • of gold production, 415.

G.

General bank news, 60, 141, 224, 306, 386, 467, 545, 627, 702, 776, 860, 934.
 • business situation, 7, 86.
 • corporations are not moneyed capital, 179.
 • manager of Merchants' Bank of Canada, 846.
 • situation of business, 405.
 • trade and manufactures, 490.
 • trade and outlook, 333.
 • trade unsatisfactory, 728.
 Georgia bank bill, 578.
 • Bankers' Association, 289.
 Garnishment of National banks, 685.
 Gift of bank deposit, 754.
 Gleason, L., death of, 629.
 Gold and silver, 697.
 • and silver bullion, 114.
 • and silver scare, 566.
 • and silver in industrial arts, 698.

Gold appreciation and trade depression, 721.
 • bonds to replenish the Treasury, 575.
 • circulation of Germany, 850.
 • exports, 663.
 • exports and the causes, 9.
 • holdings of the Bank of France, 574.
 • production in 1891, 416.
 • production in Africa, 252.
 • reserve in the Treasury, 884.
 • -silver complication, 806.
 • standard for Austria, 256.
 • standard for India, 256.
 • supply, 335.
 Goloid dollars, 699.
 Good year for agricultural producers, 490.
 Gould, Edward, 770.
 Government aided by the National banks, 662.
 • deposits in United States Bank, 822.
 • of bills of exchange, 609.
 • of Cuba, 487.
 • of negotiable paper, 691.
 • securities, 182.
 Grain blockade, 328.
 • markets, 50.
 Granger stocks, 568.
 Great bank failure, 804.
 Greatest wheat corner on record, 732.
 Gross earnings of railroads, 815.
 Growth of check system, 370.
 • of National banks, 487, 895.
 • of State banks, 572.
 • of New York State Banks, 736.
 Guarantee Co. of North America, 768.

H.

Half-holiday law, 205.
 Hart, E. Kirke, death of, 779.
 Hatch anti-option bill, 12.
 Heavy business failures, 881.
 Higher education of business men, 282.
 • prices for cotton, 411.
 • taxation in Cuba, 488.
 High prices for provisions, 571.
 Hints about banking, 377.
 History of Bank of Venice, 536.
 • of banking in Lawrence, Mass., 210.
 • of silver purchases, 812.
 Holder of postdated check, 278.
 How savings banks are managed, 859.
 • the "customs" arose, 217.
 • to preserve National bank system, 599.

I

Ideal money, 562.
 Imports and exports, 9, 382*.
 • and exports of gold and silver, 698.
 • and export movement, 247.
 Improvement in business, 327, 405.
 • in coal and iron trades, 644.
 • in commercial law, 254.
 • in general business, 168.

Improvement in laws governing negotiable paper, 691.

- in railroad prospects, 88.
- in railroad situation, 731.

Income tax, 929.

Increase in currency supplies, 568.

- of National banks, 16.
- in National expenditures, 641.
- in New York bank reserves, 889.
- of bank examiners, 894.

Increased demand for gold, 801.

- supply of foreign exchange, 248.

Indian Currency Association, 256.

- wheat exports, 489.

Indictment for embezzlement, 20.

- for making false entries, 20.

Indirect taxes, 930.

Indorsement "for collection," 272.

- of checks by an agent, 668.
- on Sunday, 918.

Indorsements on promissory note, 352.

Indorser's deposit applied to payment of note, 203.

Industrial changes in Germany, 544.

- stock craze, 172.
- stocks, 410.

Inequality in bank taxation, 177.

Influence of strikes on business, 86.

Influences in the movement of gold, 10.

Information regarding trust companies, 297.

Inquiries of correspondents, 140, 772.

Insolvency, 356.

Insolvent bank, 670.

- bank receiving deposits, 751.

Institutions for savings of workingmen, 241.

Insurance and banking associations, 161.

Interest, 109.

- on bank deposits, 85.
- on bonded debts, 486.
- on city deposits, 606.
- on deposits, 816.
- on public deposits, 14.
- rates in the South, 177.

International agreement upon silver question, 99.

- bimetallism, 409.
- monetary Clearing House, 483.
- monetary conference, 334.

Interstate commerce law, 409.

Investigation of credits, 535.

- of Maverick bank affairs, 178.
- of National bank failures, 95.

Investments in American industries, 338.

Iowa bankers' convention, 131.

Iron and coal trades, 251.

- and other trades, 734.
- industries and railroads, 327.
- trade, 491.

Is speculation declining, 415.

Issue of bank notes, 321.

- of certificate of deposit, 276.
- of gold bonds to replenish the Treasury, 575.
- of injunction, 184.
- of money in the United States, 287.
- of the first State loan, 508.

Issues of new bonds, 9.

Italian State loans, 508.

J.

Judicial meaning of National bank act, 19, 107, 178.

K.

Kansas Bankers' Association, 384*.

- banks, 18.

L.

Land Bank established, 743.

- products, 740.
- tenure in France, 856.

Large production of gold, 416.

Largest grain movement in this country, 328.

Latin Union States, 851.

Law for taxing banks, 112.

- for the use of silver, 482.
- reform, 1.
- reform in banking, 643.
- relating to presentment of drafts, 497.

Laws governing negotiable paper, 691.

Lecture by J. G. Cannon, 535.

Legal miscellany, 58, 129, 206, 279, 365,

- 440, 532, 623, 689, 759, 844, 925.
- protection against slandering business, 662.

Legislating on bank circulation, 735.

Legislation of this country, 401.

Lending of money by the banks, 883.

Lesson of the Maverick failure, 253.

Levy monetary plan, 927.

Liabilities and resources of New York

State banks, 736.

Liability for exercise of official discretion, 21.

- for loss of deposits, 527.
- of a mercantile agency, 430.
- of bank for agent, 581.
- of bank officers, 363.
- of drawer of a certified check, 201.
- on circulating notes, 127.

Licensing banks, 607.

Lien on stock, 913.

Liquidation of banks, 110.

Loans authorized by Congress, 749.

Location of bank, 19.

Loss of bank deposits, 527.

Louisiana bank act, 592.

Low price of silver, 8.

- price of silver bullion, 253.

M.

Maine's oldest banker, 770.

Management of Italian banks, 664.

- of Italian State loans, 508.
- of railroad earnings, 105.
- of savings banks, 859.
- of the savings of workingmen, 241.

Manual training high schools, 283.
 Manufacture of bank bills, 451.
 Manufacturing interests, 490.
 Market for railway shares, 250.
 Massachusetts and Suffolk Bank system, 593.
 Maverick Bank investigation, 178.
 Meeting of Georgia bankers, 289.
 Memorial address by E. H. Pullen, 267.
 Mercantile agency liable, 430.
 Metallic stock of United States, 383*.
 Methods of American Bankers' Association, 412.
 • of Australian banks, 900.
 • of Bank of Venice, 536.
 • of settling disputes, 736.
 Mexican finances, 898.
 Michigan banks and their correspondents, 558.
 Mills, Edgar, death of, 632.
 Minnesota farm mortgages, 336.
 Minority stockholders to be protected, 487.
 Mint report, 697, 812.
 Misgoverned Cuba, 487.
 Mississippi bankers' convention, 29.
 Missouri bankers' convention, 30.
 Mistake and forgery, 340.
 Mistakes of the tax gatherer, 296.
 Monetary condition of the United States, 852.
 • conference, 334.
 • legislation in the West, 817.
 • relations of the world, 849.
 • system of Austria, 256.
 Money and stock markets, 8, 87, 807.
 • conference at Brussels, 407.
 • market, 170, 330.
 • market and gold exports, 493, 647.
 • markets in the East, 890.
 • markets in the West, 888.
 • paid by mistake, 340.
 Moneyed capital, 179.
 Monopolies in business, 213.
 Morals of banking, 448.
 Mortgage foreclosures in Minnesota, 336.
 Moritz-Levy monetary plan, 927.
 Movement for inflating the currency, 322.
 • of currency, 407.
 • of gold from United States, 698.
 • of precious metals, 43.
 Movements in economic literature, 580.

N.

National and State banks, 588.
 • bank currency, 563.
 • bank failures, 95.
 • bank liquidations, 110.
 • bank may be garnished, 565.
 • bank note system without bond security, 588.
 • bank reserve, 739.
 • bank taxation, 195.
 • banks aiding the Government, 662.
 • banks, new, 76, 157, 238, 318, 398, 478, 559, 639, 717, 797, 878, 956.
 • banking capital of the country, 652.
 • banking system, 175.

National debt, 481.
 • expenditures increased, 641.
 • resources and National credit, 818.
 Natural law of trade, 405.
 Nature and operation of trust companies, 297.
 Nature of modern competition, 819.
 Need for uniform legislation, 254.
 • of bimetallism, 543.
 Negotiable paper of Illinois, 691.
 Net earnings of railroad companies, 165.
 New Austrian monetary system, 256.
 • bank buildings, 60, 141, 224, 306, 386, 467, 545, 627, 717.
 • bank law of North Carolina, 765.
 • bond issues, 9.
 • gold supplies, 740.
 • method of ending competition, 81.
 • taxes in Mexico, 898.
 • York bank laws, 762.
 • York Clearing House reports, 68, 150, 232, 312, 392, 473, 552, 633, 707, 775, 867, 944.
 Non-experts as bank examiners, 176.
 Note payable to bank cashier, 923.
 • transferred by bank officer, 531.
 Notes and drafts payable at collecting bank, 100.
 • given in renewal of others, 828.
 • of individual bankers, 766.
 Notice of protest, 205.
 Notifying of indorsers, 3.
 North Carolina bank bill, 579.
 Novel savings bank, 866.
 November disbursements, 333.
 Number of bank examiners increased, 894.

C.

Objections to State bank circulation, 323.
 Obligation of banks to the government, 884.
 Officers of American Bankers' Association, 286.
 • of banking associations, 391.
 Official bulletin of new National banks. [See National banks, new.]
 Old roads developing, 329.
 • safety fund law of New York, 763.
 Omission to notify bank of assessors' action, 182.
 Operations of trust companies, 297.
 Opposition to Colonial Land Bank, 744.
 • to tariff reform, 402.
 Oppression of the rural classes in France, 929.
 Organization of trade, 213.
 Origin of paper money, 626.
 • of the word "customs," 217.
 Our export trade and its prospects, 808.
 • National finances, 641.
 Outcome of the Chicago corner in wheat, 809.
 Outlook of the Treasury, 16.
 Overdrafts, 752.
 Ownership of deposit, 682.
 • of industrial property, 82.

P.

- Palace of St. George, 511.
 Paper money in the colonies, 742.
 • money printed one thousand years ago, 139.
 Paralysis of business, 728.
 Par-point system of making collections, 290.
 Paying interest on public deposits, 14.
 • teller's experience, 443.
 Payment by a savings bank, 686.
 • by insolvent National bank, 758.
 • by note, 753.
 • in contemplation of insolvency, 839.
 • of dividends to railroad shareholders, 165.
 • of note, 186.
 • of savings bank trustees, 94.
 • on forged indorsement, 51.
 Peculiarities of Bank of Venice, 536.
 Pension payments, 17.
 • system, 404.
 Pennsylvania railroad report, 738.
 People employed in manufacture of bank bills, 451.
 Percentage of silver money, 573.
 Personal liability of bank officers, 363.
 Petition of United States Bank for renewal of charter, 822.
 Philadelphia bank statement, 68, 150, 232, 312, 392, 473, 552, 633, 707, 775, 867, 944.
 Philosophy of prices, 626.
 Plan for continuing National bank note system, 588.
 • for increasing the value of silver, 99.
 • for solving the silver question, 483.
 • for use of silver, 412.
 Plans for bank collections, 92.
 Plant, I. C., death of, 472.
 Policy of Democratic party, 402.
 • of silver producers, 98.
 • of the Treasury, 805.
 Position of banks and their interests, 806.
 • of the produce markets, 331.
 Postal savings banks in France, 545.
 Postdated check transferred, 278.
 Post-office savings bank of Great Britain, 452.
 Power of attorney, 686.
 Powers of receiver, 26.
 Precautionary safeguard against forged paper, 370.
 Precious metals, 381*.
 Preferences, dissolution, and receivership, 23.
 Present law for taxing banks, 112.
 • monetary conditions, 849.
 • system of bank collections, 290.
 Presentment of drafts for acceptance, 497.
 Presidential election and its effects, 401.
 Price of labor, 84.
 • of silver, 382*.
 • of silver and the conference, 407.
 • of silver bullion, 253.
 Prices of coal, 89.
 • of cotton, 411.
 • of gold and silver, 336.
 • of land products, 740.

- Prices of stocks and bonds, 80, 160, 240, 320, 400, 480, 560, 640, 720, 800, 880, 960.
 Principles on which bank circulation is founded, 561.
 Priority of claims, 107.
 Privileges of the Bank of St. George, 509.
 Produce markets, 10, 172, 251, 411, 649.
 • markets stagnant, 810.
 Product of gold and silver, 383*.
 Production of gold in Africa, 252.
 • of silver in Bolivia, 97.
 • of the precious metals, 697.
 Profit on bank circulation, 321, 651, 813.
 Profits from exchange and production, 723.
 • of cotton manufacturing, 414.
 • of foreign bankers, 95.
 Projected banking institutions, 74, 156, 237, 316, 396, 476, 556, 636, 715, 794, 877, 954.
 Promissory note dishonored, 352.
 Proposed amendment, 694.
 • reorganization of American Bankers' Association, 285.
 Proposals at Rimetallic Money Conference, 408.
 Propositions before Brussels Monetary Conference, 927.
 Prospect of repealing silver law, 806.
 Prospects for shipbuilding, 339.
 Prosperity of French funds, 217.
 Protection against slandering business, 662.
 • of minority stockholders, 487.
 Protest and notice, 205.
 • of notes, 2.
 Protested note charged against indorser's deposit, 203.
 Province of Legislature in licensing banks, 607.
 Provision markets, 571.
 Public debt in New South Wales, 901.
 • finance in France, 854.
 Publication of bank statements, 676.
 Purchases of silver by the Government, 381*.
 Pure silver standard countries, 850.
 Purpose of American Bankers' Association, 1.
 • of the bullion reserve, 739.
 • of trust companies, 297.

R.

- Railroad building and business, 96.
 • situation, 88, 171, 409, 494, 645, 731, 892.
 Railway building and extension, 328.
 • income for 1892, 814.
 Raised and forged paper, 370.
 • check, 418.
 Rapid development of old roads, 329.
 Rate cutting, 731.
 Rates for money, 68, 150, 232, 312, 390, 473, 552, 633, 707, 775, 867, 944.
 • of interest in the South, 177.
 Reaction in cotton market, 571.
 Reading failure and its effects, 648.
 Reasons favoring State bank circulation, 321.

Recall of check, 6.
 Receiver's authority in suits, 26.
 Recent aspects of competition, 723, 819, 902.
 • bank dividends, 60, 142, 306, 546.
 • collapse of the Industrials, 806.
 Recoinage of subsidiary silver coins, 382*.
 Recommendations of Comptroller Hepburn, 484.
 Redemption agency, 767.
 • of bank notes, 175.
 Reduced net earnings of railroads, 409.
 • price of silver, 253.
 • production of silver, 574.
 Reducing the surplus, 641.
 • the cost of production, 820.
 Reduction in price of bonds, 482.
 • of National bank assessment, 842.
 Reform in banking, 643.
 Regulation of deposit of public moneys, 40.
 • of prices, 81.
 Relations between banks and other business, 881.
 • between money market and gold exports, 493.
 • of banks and their correspondents, 768.
 • of banks to the deal, 733.
 • of city and country banks, 890.
 Remedy for increasing the value of silver, 99.
 Remitting by checks on local banks, 369.
 Renewed gold exports and the causes, 9.
 Report of committee on bank taxation, 465.
 • of Comptroller, 572.
 • of Connecticut banks, 577.
 • of Director of Mint, 697.
 • of imports and exports, 248.
 • of Kansas banks, 18.
 • of Minnesota mortgages, 336.
 • of the mints, 381*.
 • of Pennsylvania railroad, 738.
 Reserve in the Treasury, 739.
 Resignation of the Comptroller, 812.
 Resolution in favor of Nicaragua Canal, 284.
 Resources and credit of the nation, 818.
 • and liabilities of New York State banks, 736.
 • of the Treasury, 16.
 Responsibility attaching to bank officers, 37.
 • of bank for agent, 581.
 Restoring specie payments, 906.
 Restriction of business, 86.
 Result of excessive bank taxation, 177.
 • of Treasury crisis, 889.
 Retention of pass-book by depositor, 757.
 Return of confidence in business, 567.
 • of easy rates for money, 729.
 Review of finance and business, 7, 86, 168, 246, 327, 405, 490, 566, 644, 728, 805, 888.
 Revenues and expenditures, 641.
 Revision of tariff legislation, 402.
 Revival of State bank circulation, 93, 321.
 • in iron industries and railroads, 327.
 Revoking acceptance of draft, 841.
 Revolution in the industrial world, 85.
 Right of set-off, 356.
 • of banks to purchase notes, 918.

Right of bank to sue on note, 923.
 • of shareholder to examine bank, 111.
 • to transfer National bank stock, 523.
 Rights of shareholders, 110.
 Risks of business, 725.
 Root, Francis H., death of, 308.
 Rules for bank employes, 376.

S.

Safety fund law of New York, 763.
 • fund principle, 601, 605.
 Savings bank deposits unclaimed, 722.
 • bank of Great Britain, 452.
 • bank taxation, 576.
 • of workmen, 241.
 Schemes for workmen's banking associations, 161.
 Scotch bank deposits, 695.
 • system of banking, 900.
 Second United States Bank, 905.
 Securities affected by election, 410.
 Semi-panic in business, 805.
 Session of International Monetary Conference, 334.
 Set-off in claim of Government, 109.
 • of customer's deposit, 665, 672.
 • of deposit against unmatured note, 435.
 Settlement of commercial disputes, 736.
 • of insolvent banks, 175.
 Shares in foreign corporations, 182.
 Shock to public credit, 888.
 Silver production in Bolivia, 97.
 • purchases, 381*, 812.
 • question, 483.
 • question at Brussels, 407, 412.
 • rupee of India, 15.
 Single tax scheme, 727.
 Sketch of public finance in France, 856.
 Skill and experience in business, 820.
 • in handling money, 539.
 Slackness in coal trade, 7.
 Small margin of profits, 819.
 Solving the silver question, 483.
 Some recent aspects of competition, 723, 819.
 South Dakota convention, 33.
 Southern bank items, 66, 147, 231, 311, 388, 472, 551, 632, 707, 781, 866, 940.
 Special deposits, 527, 619.
 • indorsements, 346.
 Specie bank established, 745.
 • in Europe, 496.
 Speculation in grain market, 90.
 • in railroad stocks, 171.
 Speculations of Italian banks, 664.
 Spencer, Charles H., death of, 309.
 Standard for Indian currency, 256.
 • of payment, 722.
 State bank associations, 92.
 • bank circulation, 286.
 • bank issues, 663.
 • bank note circulation, 93, 321.
 • bank notes, 603.
 • Bank of Indiana, 590.
 • Bank of Ohio, 591.
 • bank systems, 741, 822, 905.

State banking, 414.
 • banks, 572.
 • banks of issue, 604.
 • banks until 1816, 823.
 • court has no jurisdiction, 22.
 • depositories for public moneys, 40.
 • savings banks of France, 662.
 • tax officers can inspect National banks, 183.
 • taxation, 413.
 Statement of St. Louis banks, 218.
 Statements of a bank published, 676.
 Statistics of State banks, 666.
 Statistical position of the produce markets, 331.
 Sterling exchange, 68, 150, 223, 312, 392, 473, 552, 632, 707, 775, 867, 944.
 St. George Purchasing Co., 508.
 Stock and money markets, 8.
 Stock market, 730.
 • market and the railroads, 250.
 • of money in United States, 668.
 Stocks and bonds, prices of, 80, 160, 240, 320, 400, 480, 560, 640, 720, 800, 880, 960.
 Stringency in the money market, 493.
 Strong and active money markets, 406.
 Substituted checks, 257.
 Substituting one kind of money for another, 802.
 Success of co-operative societies, 241.
 Sufficiency and publication of bank statements, 676.
 Suit by a receiver, 27.
 • by agent, 109.
 • brought to enforce collection, 622.
 • for taxation of insolvent bank shares, 350.
 • in attachment, 685.
 Supply of gold, 335.
 • of money, 573.
 Supplying gold for export demand, 884.
 Supreme Court of Alabama, 828, 923.
 • " " California, 49, 676.
 • " " Georgia, 527.
 • " " Iowa, 427, 913.
 • " " Kansas, 916.
 • " " Michigan, 622, 670, 752.
 • " " Minnesota, 753.
 • " " Nebraska, 751, 920.
 • " " New Jersey, 618.
 • " " New York, 205.
 • " " North Carolina, 531.
 • " " North Dakota, 523.
 • " " Ohio, 352, 435.
 • " " Oregon, 51.
 • " " Pennsylvania, 203, 607.
 • " " Rhode Island, 360.
 • " " Tennessee, 668.
 • " " United States, 127, 672, 842.
 • " " Utah, 276, 363.
 • " " Vermont, 682.
 • " " Washington, 195.
 • Judicial Court of Massachusetts, 201, 278, 918.
 Surplus reduction, 641.
 Surrender of bills of lading, 497.
 System for taxation of savings banks, 521.
 • of branch banking, 900.
 • of post-office savings banks, 459.

T.

Table showing condition of crop markets, 331.
 Tariff legislation, 402.
 Tax on deposits, 185.
 • on State bank issues, 663.
 • on State bank notes, 588.
 Taxation, 112, 350, 520, 618, 916.
 • in Cuba, 488.
 • in the various States, 413.
 • of banks, 92.
 • of capital and surplus, 113.
 • of National banks, 195, 842.
 • of notes of individuals and companies, 184.
 • of real estate, 181.
 • of savings banks, 576.
 Tennessee bankers' convention, 432.
 Territorial taxation of National banks, 112.
 Textile manufactures low, 7.
 The crisis passed, 806.
 Title to check passed to depository, 360.
 Topics discussed by bankers, 92.
 Total supply of money, 573.
 Trade and manufactures, 490.
 • balance, 9.
 • balance for the summer, 247.
 • depression and gold appreciation, 721.
 • in Texas, 569.
 • with Europe, 495.
 Traffic of our railway systems, 409.
 Transfer of National bank stock, 523.
 • of negotiable paper, 828.
 • of note by bank officer, 531.
 • of postdated check, 278.
 Transportation problem, 821.
 Treasury appropriations, 17.
 • crisis, 888.
 Trial for embezzlement, 23.
 • of the pyx, 625.
 True banking principle, 598.
 Trust company legislation, 739.
 Trustees of savings banks, 94.
 Trusts, 670.
 Tumble in the stock market, 646.
 Two leading principles of bank circulation, 561.

U.

Unauthorized payment, 686, 752.
 Uncertainty in stock market, 807.
 Unclaimed savings bank deposits, 722.
 Uniform legislation needed, 254.
 Union Bank, New London, Conn., 374.
 Use of coin in payments, 767.
 • of gold and silver in industrial arts, 383.
 • of silver, 482.
 • of the gold reserve, 739.
 Usury laws, 92.

V.

Valuation of bank shares, 113.

Value of gold, 576, 801.
 • of the mines in Bolivia, 97.
 • of the silver rupee, 15.
 Voluntary liquidation, 110.
 • transfer of property, 754.

W.

Washington Bankers' Association, 131.
 Wellstood, John G., death of, 702.
 Western bank items, 64, 146, 308, 389, 472, 549, 631, 706, 781, 864, 938.
 • money markets, 888.
 • monetary legislation, 817.
 • mortgages, 816.
 Wheat corner, 732.
 • exports of India, 489.
 When a bill of lading should be delivered accompanying a draft, 427.
 • deduction may be made, 181.
 • is a bank voluntarily dissolved, 109.
 Where suit may be brought to enforce collection, 622.
 Why general trade is unsatisfactory, 728.
 Willful abstraction of bank funds, 20.
 Wisconsin public moneys, 40.
 Withdrawal of gold from this country, 801.
 Work of the American Bankers' Association, 1.
 • of trust companies, 297.
 Workingmen's banking associations, 161.
 • institutions, 241.
 World's Bankers' Congress, 338.
 • coinage, 383*.
 • congress of bankers, 887.
 • production of gold, 416.
 • product of gold and silver, 698.

INQUIRIES OF CORRESPONDENTS.

*Of which the Opinions are reported in the BANKER'S MAGAZINE
 AND STATISTICAL REGISTER, Volume XLVII.*

Collection of check, 772.
 Collections, 140.
 Deduction for light weight coin, 772.
 Light gold shipments, 772.

Presentment of check, 140.
 Right to recover amount of check, 772.
 Shipment of gold, 772.

LEGAL MISCELLANY.

Decisions reported in the BANKER'S MAGAZINE, for the year ending June, 1893.

- Acceptance of check by telegram, 440.
 • of payment, 760.
 Accommodation indorsers, 534, 624.
 • maker, 623, 624.
 Acknowledgment by notary public, 690.
 Action by assignor, 59.
 • on note, 129, 532, 925.
 Alien as notary public, 208.
 Alteration of instruments, 366.
 • of note, 280, 365.
 Application of deposit, 366.
 • of payments, 208.
 Appointment of receiver, 207.
 Appropriation of payment, 366.
 Articles of association, 623.
 Assignment for benefit of creditors, 760.
 • of bank, 925.
 • of stock certificate, 208.
 Attachment of bank, 533.
 Bank deposit, 280.
 • taxation, 210.
 Bill of exchange, 59.
 Bona fide holders, 534.
 • purchasers, 130, 532, 623.
 Burden of proof, 59.
 Burglary of county funds, 209.
 Cashier's bonds, 441.
 Checks for collection, 367.
 Collection of taxes, 760.
 Collections, 279.
 Commercial paper, 280.
 Compounding statutory liability, 926.
 Confederate currency, 209.
 Consideration for note, 365.
 • 925.
 Constitutional law for appointing receivers, 207.
 Conversion of promissory note, 441.
 Continuance of note, 280.
 Contract between corporations, 926.
 • for stock, 689.
 • to loan money, 690.
 • to forbear, 280.
 Contracts without seal, 209.
 Corporate stock taxation, 210.
 Corporations, 58.
 Deposit for special purpose, 206.
 • in bank, 623.
 Directors' meetings, 58.
 • of corporation, 367.
 Discharge of debt, 59.
 • of guarantor, 624.
 Execution of note, 440.
 Exemption from taxation, 365.
 Evidence of forgery, 206.
 Failure of consideration, 206.
 • to collect, 279.
 False representations, 442.
 Foreclosure of mortgage, 624.
 Foreign judgment, 624.
 Forgery, 534.
 • of note, 59.
 • of signature, 533.
 Forging and uttering checks, 208.
 Fraudulent organization, 689.
 Gambling contract, 279.
 Guaranty, 440, 925.
 • of note, 208.
 Illegal sale of stock, 209.
 Indorsement for collection, 367.
 • of note, 279, 534.
 • on Sunday, 440.
 Indorser's liability, 206.
 Innocent purchaser, 690.
 Insolvent banks, 760.
 Inspection of books of corporation, 366, 367.
 Interest and usury, 207.
 Intoxication as defense, 441.
 Joint answer in garnishment suit, 623.
 Judgment by confession, 207.
 Law of place, 925.
 Liability of indorser, 206.
 • of sureties, 365.
 Lien on property, 533.
 • on stock of corporation, 207.
 Lost note, 690.
 Married women as shareholders, 58.
 Money in bank, 926.
 Mortgage, 534.
 • and note, 624.
 Mutual agreement, 926.
 Negotiability of bank checks, 690.
 Negotiable instruments, 59.
 Note signed in blank, 759.
 Notice of dishonor, 367.
 Offer of new note, 130.
 Officers of corporation, 59, 533.
 Ownership of note, 623.
 Parol agreement, 206.
 • evidence, 207, 689.
 Partnership note, 130.
 Part payment, 441.
 Payment by draft, 279.
 • by note, 440, 925.
 • by set-off, 59.
 Payments of deposits, 279.
 Plea in abatement, 690.
 Pleading and proof, 208.
 Preference by insolvent corporation, 440.
 Preferred creditors, 925.
 Premature suit, 759.
 President of corporation, 279.
 Principal and surety, 366.
 Purchase of stock by bank officer, 130.
 Ratification of note, 441.
 Recitals, 208.
 Recovery of money paid, 366.
 Release of indorser, 533.
 • of surety, 366, 925.
 Renewal of note, 623.
 Right of stockholders, 207.
 • of surety on note, 130.
 Rights as against bona fide holders, 624.
 • of indorsee, 624.
 Semi-annual bank statements, 59.

- Services by mail, 367.
 Shareholders in National banks, 58.
 Shares in National bank, 130.
 Signature secured by fraud, 690.
 Special or general deposit, 206.
 State sovereignty, 58.
 Statute of limitations, 280.
 Stipulation for attorney's fees, 760.
 Stockholders of insolvent corporation, 130.
 • liability, 926.
 Subscription for stock, 441, 534.
 Subscriptions to corporation stock, 759.
 • to stock before organization, 207.
 Suit against stockholders, 206.
 Summons on maker of note, 623.
 Suretyship, 925.
 Taxation of capital stock, 365.
 • of corporations, 129.
 • of National banks, 280.
 • of promissory notes, 441.
 Transactions with decedent, 207.
 Transfer after payment, 209.
 • of note, 690.
 Trusts, 759.
 Unpaid certificates, 441.
 • stock subscription, 209.
 Usury, 130, 441, 442.
 • as a defense, 209.
 Validity of by-laws, 926.
 Waiver of protest, 130.

LIST OF CASES.

- Anheuser-Busch Brewing Association *v.* Assigned Estate of Farmers & Merchants' Bank, Humboldt, 920.
 Armstrong *v.* Warner *et al.*, 435.
 Bank of British North America *v.* Alaska Improvement Co., 676.
 Bank of Santa Fe *v.* Buster, Sheriff *et al.*, 916.
 Bill *v.* Stewart, 278.
 City National Bank *v.* Clinton Co. National Bank, 352.
 City National Bank, Birmingham, *v.* Dun *et al.*, 430.
 City of Boston *v.* Beal, 350.
 City of Oil City *v.* Oil City Trust Co., 607.
 City of Somerville *v.* Beal, 121.
 Connecticut River Savings Bank *v.* Albee, 682.
 Darby *v.* Berney National Bank, 923.
 Doty *v.* First National Bank of Larimore, 523.
 Farmers and Merchants' State Bank *et al. v.* Armstrong, 672.
 Farmers and Traders' Bank, Bonaparte, *v.* Haney, 913.
 Farmers' National Bank, Valparaiso, Ind., *v.* Sutton Manufacturing Co., 609.
 Fiore *v.* Ladd, 51.
 First National Bank *v.* Crabtree, 427.
 First National Bank *v.* Indiana National Bank, 272.
 First National Bank, Union Mills, *v.* Clark, 615.
 Franklin Co. National Bank *v.* Beal, Receiver, 119.
 Gladstone Exchange National Bank *v.* Keating *et al.*, 752.
 Head *v.* Hornblower, 201.
 Jackson *v.* National Bank, 668.
 Le Duc *v.* Moore *et al.*, 531.
 Long *v.* Citizens' Bank, 276.
 Mechanics & Traders' Bank, Brooklyn, *v.* Seitz *et al.*, 203.
 Merchants' National Bank, Kansas City, *v.* Robison, 363.
 Merchants' National Bank, Savannah, *v.* Guilmartin, 527.
 Metropolitan National Bank *v.* Claggett, 127.
 Minot *v.* Russ, 201.
 National Exchange Bank of Dallas *v.* Beal, 123.
 National Park Bank *v.* Levy, 360.
 North Atchison Bank *v.* Garretson, 424.
 Paul, Assessor, *v.* McGraw, 195.
 People *ex rel.* Savings Bank of New London *v.* Coleman, Commissioner of Taxes, 520.
 Prescott National Bank, Lowell, *v.* Butler, 918.
 Read *v.* Marine Bank of Buffalo, 909.
 San Diego Co. *v.* California National Bank, 619.
 Scott *et al. v.* Armstrong, 672.
 Sherwood, Banking Commissioner, *v.* Milford State Bank, 670.
 State (De Baun, Prosecutor) *v.* Smith, Township Collector, 618.
 Steinhart *v.* National Bank, 49.
 Sylvester *et al. v.* Crohan *et al.*, 205.
 Talcott *v.* Brown *et al.*, 685.
 Thomson-Houston Electric Co. *v.* Palmer *et al.*, 753.
 Watkins *v.* Plummer, 622.
 Wheatland *v.* Prior, 56.
 Wilson *v.* Coburn, 751.
 Yardley *v.* Clothier, 356.



THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVII.

JULY, 1892.

No. 1.

THE BANKERS' ASSOCIATION AND LAW REFORM.

In the beginning, the American Bankers' Association had a well-defined end in view, the reduction of taxes imposed by the Government. The association also had other ends, but this was the more immediate, and while it existed the members felt the stimulus. But since taxation has been reduced within reasonable limits the association, though meeting as regularly as before, has had no especial end, and has achieved no definite result. The criticism so often made, that the gathering is for a social purpose, that it is a National club, contains a large element of truth, which no one familiar with its proceedings will dispute. Such an aimless existence, however, is without excuse. There is work enough for the association to do. Before it lies the whole field of commercial law, which in almost every direction needs improvement. Some changes have indeed been made, either by Courts or Legislatures, but every intelligent banker knows that many more are required to put the law in harmony with modern methods of doing business. For example, there is no reason why days of grace should not have been abolished fifty or a hundred years ago. There was good reason for them in the beginning; but as the condition which gave rise to them long ago passed away, so should the days be abolished. The law is full of rules of a similar character, originally founded on reason, but resting on none whatever at the present day.

The bankers' associations could do an excellent work in securing a conformity of the law to the needs of our time. The National association might lead off, and the State associations follow; in other words, all of the associations could work in harmony in accomplishing these things.

Several years ago, in truth, a resolution was passed for codifying the law of negotiable paper, and a committee was appointed for that purpose. Nothing, however, was done. Every year the committee reported progress, until finally even this report was dropped. In England, the law relating to negotiable paper has been reduced to a code, and there is nothing impracticable in the way of accomplishing the same thing in this country. Every banker knows what a boon such a code would be, for now the laws vary greatly in the different States; indeed, it is quite impossible for a banker to understand the law in his own State. Even in the great State of New York, which is the center of banking, there are principles relating to the protesting of notes and the notifying of indorsers which are not clearly settled. Surely these are matters of practical importance, and if the association would begin this work in earnest, it would not only prove interesting, but of great value, not only to the banks, but to all who are engaged in business and who borrow money.

If it were not desirable to go so far and formulate a code of law on this subject, then a more modest beginning might be made. The abolition of the days of grace is a first-rate starting point. The favor with which Mr. Van Slyke's resolution at the last bankers' convention, abolishing days of grace, has been received, shows how easy it is to start a reform of this kind when public opinion has been once concentrated on the subject. Without doubt in a few years this change will be effected in all the States, and then every one will wonder why such a useless practice had been continued so long. Imagine the multitude of prospective law-suits that will be ended by this change! The books contain thousands of cases in which persons have sought refuge from payment behind the practice. Every simplification in the law closes a gap against a would-be defaulter, or person who would evade the fulfillment of his obligation if he could find a way.

Other illustrations may be noted. For example, a protest applies strictly to a foreign bill of exchange; an inland bill, however, or negotiable note, may be protested, and the practice has become general of protesting all such instruments in the same manner as foreign bills. In short, hardly any distinction is made between the several instruments in protesting them, yet, in truth, there is no special reason for protesting even a foreign bill. This is one of the venerable practices or usages which was founded on sound reason. The primary reason for a protest was to have suf-

ficient evidence on the trial of presentment for acceptance, or presentment for demand and payment, but the changes in business no longer require such formal evidence. The notice given to all parties who are liable is quite sufficient; instead of extending the practice to cover inland bills and promissory notes, it should be abolished altogether. Thus money and trouble would be saved and another avenue be closed against those who would escape fulfilling their obligations whenever an irregularity in performing the act could be discovered.

The notifying of indorsers is another subject worthy of attention. All sorts of rules now exist. One rule, for example, requires that an indorser must receive personal notice, or it must be left at his office during business hours, or at his residence if living in the village or city where payment is demanded. Then the question has sometimes been asked, what is meant by city? Is this the geographical city, or simply the more thickly inhabited portion of the territory included within the corporate limits? Outside the city, notice may generally be transmitted by mail, but in Pennsylvania, for example, it has been decided that in towns where letters are delivered by carriers, notice may also be sent through the mail in the same manner as to indorsers living outside. In some States, however, statutes have been enacted providing that the mails may be used for the transmission of notice even in cities. In Nebraska, a different rule has been established. Instead of making the city the boundary where the mail cannot be used, the post-office limits have been prescribed; consequently if a person, though living outside the city, happens to be within the jurisdiction of the post-office where he receives his mail notice cannot be sent through it. Another question frequently asked the courts is, whether a note containing a stipulation of the cost of collection or the attorney fee for collection is negotiable, which has sometimes been decided one way and sometimes another. The Supreme Court of Alabama wrestled with this question last year, and the opinion contains a long procession of cases on the subject.

These are a few illustrations showing the necessity of establishing better defined rules on practical every-day matters of business. The courts have done something to improve the law; but if the bankers took up the work with their usual energy and intelligence, they could accomplish far more. The courts are by nature, as they should be, conservative, slowly inclined to change; for their province is rather to declare the law than to make it, except on occasions when new rules or modifications of old ones must be made. Legislatures are the proper bodies to deal with changes or reforms in the law, and the bankers are, or should be, earnestly interested in so changing the law that it shall fit into the necessities of modern business. This work might be taken up by all

the bankers' associations without delay. Let them begin, and there will be no occasion in the future for doubting whether they ought to exist.

BANK COLLECTIONS.

In the present number will be found an interesting case relating to the collection of a note which was decided by the Supreme Court of California. The owner of the note left it with a bank in San Francisco, which sent it to the defendant bank in Sacramento, at which it was payable. The maker was a depositor of the bank. The note was charged to him and a check on a San Francisco bank was drawn for the amount and inclosed in a letter directed to the sending bank and deposited in the post-office. By thus charging the note to the depositor, his account was overdrawn, but this was known by the bank. There was no mistake or error, therefore, in paying the note and in charging the same to the depositor's account. Later in the day the depositor failed, and the bank immediately recovered the letter, canceled the check, and returned the note to the sending bank. The owner sued the Sacramento bank, but failed to recover.

The reasoning of the court is not convincing, and we have no doubt that the decision will plague the bankers in the future. The court seemed to be of the opinion that the bank had made a mistake in paying the note, and therefore it had a right to cancel the check. But do not the facts clearly show that no mistake whatever was made by the bank in dealing with the maker? Let us re-state what happened. The note was received by the Sacramento bank for collection; the maker was one of its depositors; and the bank was the agent of the sending bank to collect the note. The fact that the maker was a customer of the bank did not, in the least, affect its relation to the sender of the note. The bank, strictly speaking, was acting as a double agent—for the sending bank in collecting the note and also for the maker in paying it. There was no impropriety in thus acting, and in many cases this relation is sustained by the collecting bank. The bank, therefore, having received the note, charged the amount to its depositor and inclosed its own draft in payment to the sending bank. The fact that by thus charging the note to the customer his account was overdrawn was immaterial to the sending bank. Banks not infrequently do this, and it has been held again and again by the courts that a bank is bound by its action in making such payments. If any authority is needed, the following cases may be cited. (*Whiting v. City Bank*, 89 N. Y. 363; *American Exchange Nat. Bank v. Gregg*, 28 N. E. Rep. 339 Ill.; *Oddie v.*

National Bank, 45 N. Y. 735; *City National Bank v. Burns*, 68 Ala. 267.)

Even if the bank had made a mistake in charging the note, supposing that the depositor had ample funds to pay the same, it could not have recovered against the person receiving it, if thereby his condition would have been worse.

Later in the day the depositor, as above remarked, fails, and then the bank seeks to recover the check and claims that a mistake was made in paying the note. No mistake was in fact made. It is a misuse of language to contend that a mistake or error was committed by the bank. Its officers knew perfectly well what they were doing at the time of making the entries pertaining to the transaction. It is undoubtedly true that if they had known of the customer's condition at the time of receiving the note for collection it would not have been paid by the bank, but the subsequent discovery of his condition is no ground for claiming that a mistake was made in payment. We must look at the transaction at the time it was done, and not afterward.

The bank, therefore, as agent for the maker paid the note. Thereafter it was acting solely as the collecting agent for the San Francisco bank. As such agent it had a check in payment of the note, and it seems to us that it was quite too late for this to be recalled. The situation perhaps may be rendered clearer by supposing that the check in payment had been given to another bank. Suppose this had been done, and when the payee bank, learning of the customer's failure, had gone to the other bank and demanded the check, would it have been returned? Certainly this could not have been done in safety. The fact that it happened to be the collecting agent, as well as agent for the maker of the note, does not change its liability to the sending bank or the owner. The collecting bank is none the less liable than it would have been had the check been paid to another bank and not to itself as collecting agent for the party from whom the note came.

In the lower court the judge based his decision on a different ground. He maintained that the bank was not the agent for collecting the note, but simply acted as agent for the maker in paying the same. The mail was regarded essentially as the transmitter of the note, and therefore the relation of collecting agent between the Sacramento bank and the San Francisco bank did not exist. This position was in harmony with the cases of *National Bank v. Indig* (80 N. Y. 100), and *People v. Merchants & Mechanics' Bank* (78 N. Y. 269). It is true that the Court of Appeals did decide in these cases that the mail was used for the purpose of making presentation of the notes in question to the banks at which they were payable, but the judges were almost evenly divided in the *Indig* case, and the decisions are contrary

to the law prevailing in other States. It is not difficult to discover the true reason for rendering this decision. In New York a bank at which paper is left for collection is liable to the owner for the negligence of any sub-agent to whom it may be sent for that purpose. As the Court of Appeals evidently did not wish to hold the banks liable in these cases in which paper had been left for collection for the conduct of other banks to which it had been sent for that purpose, they held that such banks were not sub-agents at all, but that the paper had been sent to them by mail, and that they were to be regarded as though a presentation had been made to them for payment. These decisions have been questioned several times since by the courts in that State, and must be regarded as very doubtful law.

It is possible that the recall of the check could have been justified by an application of the principle of stoppage in transit, which applies to merchandise before it has reached an insolvent buyer. This principle was applied in Pennsylvania in the case of *Dougherty Bros. & Co. v. Central National Bank* (93 Pa. 227). In that case the bank discounted a note, but before paying over the money the makers failed. The court held that the bank might retain the money and deliver the note, Mr. Justice Trunkey saying: "Justice and equity forbid that one man's money shall be applied to the payment of another man's debts. On this is based the right of a vendor to stoppage *in transitu*, which arises solely upon the insolvency of the buyer. Where a vendor has delivered goods out of his possession into the hands of a carrier for delivery to the buyer, if he discovers that the buyer is insolvent he may retake the goods, if he can, before they reach the buyer's possession, and thus avoid having his property applied to paying debts due by the buyer to other people. . . . Although this remedy of a vendor, which exists only before actual delivery of the goods into the buyer's possession, cannot be exercised precisely in the same mode by a lender of money or credit, yet, for similar cause, the lender ought to have as efficient remedy until the money is paid to or the credit is used by the borrower." This seems to be a very just application of the rule, for a bank ought not to be required to pay over the money when there is no reason for supposing that it is likely to be repaid, but the difficulty in applying the principle in the case under consideration is that the check for the note had been already paid to the bank as collecting agent for the owner, the transaction was completed, and it was too late to recall the check. Had the bank, for example, as agent for the maker, drawn the check, but not inclosed it in the letter to the sending bank, it might have retained the same, but we cannot forget that the bank all the time was acting in this double relation, and that at the time of recalling the check it had completed

its service as agent for the maker, and was solely acting as collecting agent for the San Francisco bank. It was too late then to return the check without violating its duty. Perhaps we are wrong in our view of this case, but a careful study of it convinces us that this double agency relation clearly existed, and that the court erred in not recognizing it.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL BUSINESS SITUATION

has shown little if any improvement during the first month of summer; in fact, the iron industry and dry goods trade have been disappointing, and if anything, have gone backward instead of forward. Textile manufactures of all kinds except goods specially adapted to the season have been dragging in demand and dropping in prices, and general complaints of dullness have been heard from all quarters. The coal industry is slack, as usual at this season of the year, though prices have been maintained by the anthracite combination, as the policy of limiting the output to the demand prevents any glut or break in prices. The only improvement to be noted is in the crop situation and in railway earnings, with a continued good foreign demand for most of our farm products, notwithstanding the renewed exports of gold. But the improvement in both railroad earnings and crop prospects, is from the gloomy condition of a month ago in consequence of the floods in the Mississippi and Missouri valleys, and even these returned again during the last week of the month, after hot and forcing weather during the first three weeks of summer, which did wonders in recovering the lost ground of May in the wheat crop, both spring and winter, and held out hopes of an average corn and oat crop until the rains returned again. The prospects now for these two crops are below an average, while those for wheat promise a full average, though not equal to last year's great crop. Railroad earnings have also been increased by the bringing forward of accumulations of freight held back by the floods in May; and the two months of May and June together will not make an over-brilliant showing, though June will look better than expected. The advance in the corn markets, and the chronic state of "corner" both at the West and seaboard, have also stimulated shipments of that cereal, which has helped the corn roads, while improved prospects for the winter wheat, as well as spring wheat crops, have induced freer selling of the old crop by the farmers, and swelled the volume of business on the Granger

roads generally. The crop outlook of Europe has also improved, and weaker markets have followed the improvement there and here, though the English markets have continued to buy quite freely of our spring wheats, until the arrivals on the other side are now so heavy as to further depress those markets, as those of the Continent have been for several months under the continued arrival of old purchases made for forward delivery, in anticipation of very high prices before the end of this crop year. In addition to free shipments from this side, those from India have been unexpectedly heavy; and, together with the removal of the prohibition of grain exports from Russia, have produced a very dull and depressed set of markets on the other side. The low price of silver has largely stimulated these Indian shipments, and they have tended to drag down the value of this cereal here, until we are now nearly back to the old level of prices before the short crop year of 1890, with the prospect of our returning to that basis the coming crop year if the harvests of the world should fulfill the present promise. This applies, however, to wheat and flour only, while feed stuffs have continued scarce this entire crop year, notwithstanding the enormous harvests in this country, as the foreign and domestic demand has absorbed farmers' deliveries as fast as they have come on the market. While our exports have continued unusually heavy through May and June, the prospects for another year are decidedly less favorable; and if, with the enormous exports of the fiscal year ending July 1st, we have been compelled to ship so much gold to Europe to settle our foreign indebtedness, it may be a serious question that we will have to answer before long, how we are going to settle that indebtedness for the coming year. This, together with the usual dullness in business attending a presidential election, does not give a particularly brilliant outlook for trade the coming autumn.

THE MONEY AND STOCK MARKETS

have both been dragging along in the same rut as for the past three months; with too much money, and too many stocks; too low rates for the former, an unsatisfactory business for the banks and lower prices for the latter, with a great temptation for the Bears to attack the market, which they have not resisted. We have, therefore, had a Bear stock market in the face of easy money, with no public to buy, either for speculative or investment account. While the pools in the different stocks have offered little resistance to the attacks of the Bears. Europe has shown a little more disposition to buy our railway securities, notwithstanding the unsettled condition of financial affairs, and several important failures during the month in London; but there has been no general or sustaining demand from either side, as shown

by the course of prices here; nevertheless there have been some pretty large issues of new bonds placed on the market at satisfactory prices, notably that of the Pennsylvania Railroad, and some other first-class securities which have been readily absorbed at good prices. The exports of gold on a pretty liberal scale again, have produced no effect on the money market, owing to these abnormal conditions; and there is yet no evidence of a hardening tendency, though banks, as usual at this season of the year, are not as anxious to make long loans as they were one and two months ago, for the reason that we are that much nearer the moving of new crops, and the outflow of currency to the country will begin before the end of July, as the harvesting of the winter wheat crop began before the end of June. The rates of sterling exchange have fallen back to a point which has nearly stopped the exports of gold; but whether it will prove temporary or not it is difficult to forecast, in the chaotic condition of our foreign exchanges existing for the past year.

RENEWED GOLD EXPORTS AND THE CAUSES.

During the last period of gold exportation and the consequent speculation in regard to the unexplained causes thereof, the statement was made in this column that the balance of trade between the United States and Europe alone, was no indication of the probable course of the sterling exchange market, nor of the probable movement of gold. But that the balance of trade between both North and South America and Europe must be taken together; and in order to find our own true balance with Europe we must add the balance against the United States with South America to the amount of our European imports or indebtedness, because the former is paid by this country to London and not to the South American States, whose trade balance with Europe is against them. This article also stated that over \$40,000,000 had been remitted to London by the United States in payment of our imports of coffee from Brazil, for the crop year July 1, 1890, to July 1, 1891, during which we imported 2,143,890 bags of 131 pounds each, or 280,849,590 pounds, at an average of fifteen cents per pound, costing this country \$42,127,438.50.

We now have the figures for the entire imports, and exports of this country with all the South American States, showing a total average value of the former in the last four years of a little less than \$120,000,000 annually, and a trifle over \$33,000,000 of the latter, or a balance against the United States of \$87,000,000 a year. In addition to this, ocean freight has to be paid to Europe by this country on 70 per cent. of our imports from these countries, and on fifty per cent. of our exports to them, carried in foreign vessels.

We have, therefore, now a balance against us with South America of probably over \$100,000,000 annually, which we must pay to Europe; and which must be deducted from the balance Europe owes this country, before we have anything to our credit on commercial account, leaving the purchase and sale of American securities by Europe, entirely out of the calculation. The fact that the balance of trade or rather of indebtedness between South America and Europe must have been more largely against the former than hitherto, owing to the Baring failure, and the consequent collapse in European investments in South Americans, has no doubt been the cause of much heavier shipments of gold hence the past year to settle that indebtedness or adverse balance. These commercial causes are no doubt the chief influences in the movements of gold, and account for the renewal of exports the past month, rather than the financial operations between New York and London in our railway securities, though the latter may help to aggravate the disturbance of the sterling exchange market at times.

THE PRODUCE MARKETS,

as indicated above, have been depressed for wheat and flour, under continued heavy offerings from this side and India, and the pressure of heavy arrivals, and large stocks in the principal markets of Western Europe; while the prices of corn and other feed stuffs have been sustained by the opposite conditions, both at home and abroad, stocks being light on both sides of the water and arrivals limited, because of the high price and scarcity here; and the bad outlook for the coming corn crop, which has made Western farmers, very reserved in their sales of the balance of the old crop on hand, although supposed to be large. The result has been an advance in prices to a point that tempted them to sell more freely, toward the close of the month.

The Provision market, however, has been moving upward and more active, after months of stagnation in the speculative line, although exports have been good the entire crop year, or since November 1, 1891, during which our exports have been in excess of the previous year, especially of lard. The cause for the recent activity and strength is due to the combined action of the Chicago Packers who have faith in much higher prices, and have accumulated the stock of hog products in this country, in their own hand, and are now working together to put prices to a much higher level, as those for the past six months have been below the cost of production, hogs having been relatively higher than their products for that entire period, depriving packers of their regular manufacturer's product; yet they have been compelled to run and keep their packing houses open for their regular trade, on the other side and here, in meats, for which the demand has

been very good both for home and export, and indeed, greater than the packers have been able to supply; except by turning out meats in shorter time than usually required for curing them. This is the strength of the position on which they have based their Bull operations, together with a fairly large foreign short interest, especially in lard for Continental account. The prospects of a short corn crop the coming year have also strengthened the position of provisions, and the trade are now looking for a higher level of prices, as a rule, than for the last two years.

The same reasons exist for higher prices for beef products, which have also been selling at a loss for the past six months in the English markets, both for dressed beef, salted beef and live cattle, as the imports have been very heavy, and those markets gutted with American beef, canned meats, salted beef and Australian and New Zealand frozen mutton; until prices of American beef are lower on the other side than here. The *National Provisioner*, which is the organ of the Provision trade, has been devoting considerable attention to the causes of this depression in the American beef trade, and finds that the chief reason is in the excessive competition of the great dress beef and packing firms of the West, whose plants are all much larger than required by the wants of the trade, and that all of them are trying to keep them employed after they have ceased to be profitable, at the expense of each other. This condition of affairs was brought about by the big profits in this business, until about two years ago, when so many big firms became engaged in it as to produce a chronic state of over-supply; while this condition of affairs has been aggravated by the simultaneous over-production of cattle, owing to the great development in stock-raising on The Plains hitherto unavailable for Eastern markets. It has also shown that a revolution has occurred in the consumption of beef, and that now, about one-third is in the form of salted beef, one-third in the shape of canned beef and the other third fresh; whereas in former times, the great proportion was of packed, or salt beef, which was entirely used for ship stores, and army supplies, where now salt meats are only used on long voyage sailing vessels, and on men-of-war. This is one of the changes wrought in trade by the substitution of steam for sailing vessels, in the carrying trade of the world.

OTHER MARKETS.

In this connection, the carrying trade of the Atlantic has undergone an unexpected and somewhat varied experience on this crop year, which it entered with an unlimited demand for vessels on the spot and to arrive, at advancing prices, whose figures equaled

those of the old-time grain carrying trade. This condition of things lasted about six months, or until about the beginning of the present year, since when nearly the entire advance has been lost, and it has been difficult for an outside steamer to find profit and employment in this trade for the last three months, though many vessels chartered ahead have been taking cargoes during that period at remunerative rates. But new business has been done at such low figures that only the regular line steamers could compete for it, and they have taken it in cases almost at ballast rates. Since, however, the tramp steamers have been retired from the trade, the regular liners are getting better rates again, as the volume of business still going forward at this season is much larger than during average years, although much smaller than during the first six months of this crop year. The lake and canal carrying trade has also had a poor season, so far, as the railways have been competing for the lake grain traffic, at water rates of freight, in order to find employment, and to get sufficient cars to the seaboard to carry back the west-bound freight.

The Cotton market has had its slight ups and downs, in sympathy with the weather in the Cotton Belt; and, on the varying prospects of the coming crop, which are still as much in doubt, as those of the corn crop, owing to similar climatic conditions in the Mississippi valley; yet as the season in the Southern States is longer, the chances for the recovery of the lost ground in cotton, are better than in corn; and the strength of the market for the former has consequently been less than for the latter, while the reserve left over here, from last crop; and the big stocks on the other side, together with the depressed condition of the cotton industries in England, have offered little encouragement to Bull this market.

ANTI-OPTION BILL.

Probably the past month, outside of the provision markets, has been the duller in the option line, in the history of the trade, and, toward the close of the month, business has been almost at a standstill, owing to the increasing probabilities of the passage by the Senate, of the Hatch Anti-Option Bill, which was fathered by Senator Washburn, of Minneapolis, in the interest of the flour millers of the West, of which he is one of the most prominent, and backed by the whole Farmers' Alliance of the United States, in the interest of the farmers. At first, the bill was laughed at and little attention paid to it, until it developed its unexpected strength in the House, when the large majority it received first awakened the Commercial Exchanges affected thereby, to the danger of the movement; yet, it was still believed there was no possibility of its passing the Senate, until the middle of last month, when a canvass of its members by the *Commercial*

Bulletin of this city showed that it was almost equally divided. This gave rise to the fear on the part of many, that the President, who had been counted on to veto the bill, should it go through the Senate, would yield to the pressure of the Farmers' Alliance on the eve of the presidential election and approve it. As this bill, which is prohibitive of option dealing, for speculative purposes, would kill over half the business of these Commercial Exchanges a heroic effort has been made by the four largest bodies of this country, to defeat this bill, before the Judiciary Committee, and our most prominent constitutional lawyer has been employed to oppose the same, upon the ground of its unconstitutionality, notwithstanding the Supreme Court of the United States, in the oleomargarine case, furnishes the precedent for such a law. The chances are, therefore, about even for its passage, and the rendering of fully one-half the memberships of these commercial organizations useless. Of course, "ruin" to these trades has been predicted, by those whose business would be abolished thereby; but even the present generation can remember when all the business of the world, in these great farm products, was conducted without the operations of this beneficent option system, which was invented entirely by and in the interest of speculators, and has been used by them solely for their benefit, in manipulations of the market, both to depress prices before the crops have left the hands of the farmers, and to advance them after they are in the hands of the speculators, until the farmers, or producers and the millers or consumers of the country, have joined hands at last, to wipe out the whole system of future dealings in farm products, except for actual delivery by their real owners. While it would, no doubt, be a great hardship to those whose business is ruined, it is very doubtful if it will seriously interfere with legitimate commerce, when it has once readapted itself to the old methods in use, before the option system was invented. At the same time, it would not relieve the farmer of the necessity of selling his products at the price fixed by Bear capitalists, on the first half of the crop year, nor the millers of the necessity of paying these capitalists, or carriers, higher prices, on the last half of the crop year, unless, as now, they buy and hold a stock of wheat sufficient for their wants, from harvest time, until another crop. To those who regard the proposed law as severe against a class, there may be cold comfort in reading the Corn Laws of ancient Rome, offenders against which, Lysias was called upon to keep from prison, although their offense was simply charging "corner" prices in times of scarcity, a thing which is done here almost every month. But this law is not aimed against high prices, in the interest of consumers, as was the old Roman Law. This is in the interest (supposed) of the producers, and against low prices.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Interest on Public Deposits.—Notwithstanding the opposition in some quarters to the collection of interest on public moneys, the practice is becoming more general. Interest or favors of some kind have long been received for the use of such moneys, and which, in too many cases, have wrought serious results. In many cities and other municipalities for a long period the practice has existed of exacting interest on their deposits, either by soliciting bids for rates or in other ways. In Minnesota the counties get interest on their deposits; and the last report by the public examiner, Hon. M. D. Kenyon, contains interesting statistics on the subject. The amount of interest thus obtained by the counties in the aggregate is very considerable, and we know of no reason why such a practice cannot be established and maintained as successfully in other States. It is not supposed that by establishing such a system irregularities will wholly cease; and, indeed, quite recently it was discovered that the auditor of Hennepin County had been paid personally a compensation for the use of the county deposits. These had been paid by two banks in the State, contrary to law. The amount was not large and was promptly repaid by the county auditor. The discovery was made by the public examiner, who reported to the Governor, and who very promptly removed the county auditor and selected a successor of unquestioned reputation. Such prompt action by the Governor doubtless will have a good effect. A great deal might be said concerning the paying of interest on public deposits. It is certain that some one receives compensation for the use of the money, and no reason exists, therefore, why it should not go to the city, county, State, or other public body to which it properly belongs. So long as no law or practice exists, and the old-fashioned underground method is continued of paying them to unknown persons, just so long will more or less banks be implicated in doing an improper thing. These deposits are valuable for many reasons, one of which is, their permanency, and fair play demands that all banks should be placed on the same footing in obtaining them, and not on politics or personal favoritism.

Days of Grace.—A bill was introduced into the Massachusetts Legislature abolishing days of grace, which, however, was defeated. In response to a letter of inquiry to a cashier of a Boston bank he says that the defeat was accomplished in "the House of Representatives, and largely by the country members. They seemed to feel

that they were somehow going to be deprived of some inalienable right in the loss of that three days. To my great surprise, our Chamber of Commerce also petitioned the Legislature against its passage. This body is largely composed of grain and produce dealers who are subject to many sight drafts, on which, under our law, they invariably take grace. We could not seem to make them understand that their drawers could just as well draw at three days sight; and their opposition to the bill more than any other one thing, perhaps, led to its defeat. The banks are all exceedingly sorry, for we wished very much to get rid of the ancient and now useless custom. There was not much opposition to losing the grace upon notes and time paper, and had there been no grace here upon sight drafts, I think the bill would have passed." Now that public attention has become aroused to the uselessness of continuing this custom, it is to be hoped that the agitation will continue until the custom is abolished. Those who are opposed to its abolition have fears of ill consequences, which doubtless can be dispelled by better knowledge. No one can possibly gain anything by the continuance of the custom, unless perhaps the legal fraternity can occasionally discover, in the neglect of some bank to observe it properly, an unjust defense to a note, draft or other instrument. That is the only thing left of this ancient custom. As we have elsewhere said, every simplification in the law is a real gain to the people, and the abolishing of this custom, therefore, is a move in the right direction.

Decline in the Rupee.—The large decline in the value of the silver rupee is causing serious trouble in India, paralyzing trade and bringing many to poverty. Events taking place at remote distances in foreign countries, such as the demonetization of silver in Germany nearly twenty years ago, and subsequent acts of legislation in the United States, have had the effect to depreciate the rupee nearly one-half, until of late the more rapid decline is disastrous. A Calcutta correspondent, writing to London, speaks of "universal consternation." The effect, the *London Times* says, has been to increase the burden of the Indian public debt in sterling by 50 per cent. during the past twenty-five years, quite apart from new borrowings, to reduce large numbers to pecuniary distress, to diminish by one-third the sterling value of all Indian savings or accumulated capital, and no one can at present predict that the rupee, which stood only a fraction below 2 shillings in 1862, will not have to be written off at the rate of 1 shilling before the close of the century, compelling a reorganization of the whole financial arrangement of the Indian Government. It might be reasoned that through the operation of natural laws low prices for the metal

would check production, bringing about a state of equilibrium, but this correction can hardly be expected to operate, so long as the United States continues its monthly purchases at the present rate. Under this policy the value of silver bullion is maintained fairly well, but at a heavy cost to the Treasury. An expert in coinage statistics calculates that under the two acts of Congress, that of 1878, under which about 412,000,000 silver dollars were struck (worth 67¼ cents at the present price of silver), and the act of 1890, under which to the present time 93,500,000 ounces have been purchased, "\$64,000,000 have been sunk in the wild experiment."

✓
Increase of National Banks.—No less than 176 new National banks were incorporated during the year ending April 30, last. This is a surprising number and is striking testimony to the increased business interests of the far West, where the larger number of the new banks were started. The aggregate capital stock of these new institutions is \$17,130,000. The number of incorporations during the six months ending October 31, 1891, was 89, with a capitalization of \$9,530,000, leaving 87 incorporations, with a capital stock of \$7,600,000, for the last half of the year. As has been stated, the greatest increase in the National banks is to be found in the extreme West. Every territory has established one or more new banks within the year, and the six States which have come into the Union during the last four years have obtained 15 new charters. Texas heads the list in the number of new banks, with a total of 21, capitalized to the amount of \$1,310,000. Illinois, however, leads in capitalization, with a total of \$2,630,000 for eight new institutions. The older States, naturally enough, do not keep up with the procession in the creation of new banks. Vermont, Rhode Island and Connecticut register no increase for the past year, while Maine and New Hampshire have each added but one to their number; Massachusetts rejoices in five new ones.

✓
✓
The Condition of the Treasury.—The outlook of the Treasury is thus given by the correspondent of the *Commercial Bulletin*: The end of the fiscal year makes it possible to estimate pretty closely the condition of the Treasury, and to look a little ways into the future. Secretary Foster estimated last November that the receipts for the year ending June 30, 1892, exclusive of postal revenue, would be \$362,000,000, of which \$185,000,000 would be from Customs. The receipts up to June 14 reached a total of \$339,000,000, of which Customs duties have amounted to \$169,700,000. It is obvious that the remaining half of June will not raise the total receipts to the figures of Secretary Foster's estimate by about \$10,-

000,000. All of the loss is in Customs revenue, which will amount to about \$176,000,000. The total receipts for the year will apparently reach about \$353,000,000, including about \$152,000,000 from internal revenue. The estimated expenditures, exclusive of the Sinking Fund and postal service, were \$346,000,000. They have already reached \$328,000,000, and will evidently be about \$340,000,000. This does not include \$16,000,000 for the redemption of National bank notes, which Secretary Foster now counts as a part of the surplus applied to the Sinking Fund. The result is that the net cash balance at the end of the year will be about \$30,000,000, instead of about \$40,000,000, as estimated by the Secretary, and the difference will be due to the falling off of Customs receipts.

The appropriations for the coming fiscal year have not yet been classified in a way to permit an accurate statement of their amount. The pension payments for the year are expected to reach \$150,000,000, and perhaps more. The payments for the present year have already been about \$128,000,000, and will reach \$133,000,000. This is by far the heaviest drain which the Treasury has to bear, and it grows heavier every year, as may be judged from the following figures of the payments during the past eight years:

<i>Year.</i>	<i>Pension Payments</i>
1885.....	\$56,102,267
1886.....	63,402,864
1887.....	75,029,101
1888.....	80,288,508
1889.....	87,624,779
1890.....	106,936,855
1891.....	124,415,951
1892.....	133,000,000

It will be seen that in the five years from 1885 to 1890 the pension payments nearly doubled, and are in a fair way in another three years to nearly treble in amount. They will come within \$43,000,000 of eating up the Customs revenue for the present year, and they are likely to come within \$25,000,000 of consuming it all during the coming fiscal year.

The Treasury Department is a little better off for available currency just at present than it was a few weeks ago. There is \$32,384,355 in legal tender Treasury notes in the Treasury cash, which is being paid out to meet calls for paper money. Not all of this amount is available, for a large part of it is covered by currency certificates outstanding, but the margin of \$10,403,584, which is available outside of currency certificates, is in a convenient form in the legal tender notes and in the silver certificates, of which there are about \$5,000,000 which are available for disbursements. This is the real gauge of the available resources of the Treasury, and, with \$1,000,000 in legal tender notes in each

Sub-Treasury, the Government is in a position for the present to meet its maturing obligations. The coinage of some of the fractional silver to meet the World's Fair appropriation will figure as an expenditure in the Treasury bookkeeping, but it will not reduce the amount of actually available currency.

Condition of Kansas Banks.—Mr. C. F. Johnson, State Bank Commissioner, has completed the tabulation of the reports received from the State and private banks of their condition at the close of business March 29. Reports were received from 275 State banks and 163 private banks doing business under the State law. The general summary is as follows for the 438 banks:

RESOURCES.

Loans and discounts on personal and collateral security.....	\$19,021,267	51
Loans on real estate.....	1,510,038	84
Overdrafts.....	535,360	74
Real estate.....	2,802,839	30
Furniture and fixtures.....	574,798	37
Expense.....	325,551	69
United States bonds on hand.....	16,000	00
Other bonds and stocks at their present cash market value.....	971,865	75
Checks and other cash items.....	177,915	98
Clearing House items.....	36,942	22
Currency.....	1,828,608	24
Gold coin.....	721,701	11
Silver coin.....	232,405	13
Fractional currency.....	27,326	45
Due from other banks, sight exchange.....	4,049,949	10
Total.....	\$32,832,570	43

LIABILITIES.

Capital paid in.....	\$10,865,342	59
Surplus fund on hand.....	1,123,654	96
Undivided profits.....	672,385	70
Interest.....	433,358	33
Exchange.....	52,663	68
Dividends declared but not paid.....	17,012	23
Individual deposits.....	12,629,560	13
Bank and bankers' deposits.....	237,280	96
Demand certificates.....	1,959,260	45
Time certificates.....	3,095,737	94
Bills rediscounted.....	349,505	92
Bills payable.....	1,196,870	54
Total.....	\$32,832,570	43

The total deposits of the banks of Kansas, as given to the bank commissioner at the first call made by him October 13, 1891, was \$15,773,438.82; for the call made January 2, 1892, \$17,377,977.90, and for the call made March 29 (the last call) was \$18,121,839.48. This includes individual deposits, bank and bankers' deposits, demand certificates and time certificates.

THE JUDICIAL MEANING OF THE NATIONAL BANK ACT.*

[CONTINUED.]

SEC. 379a. **Pleading. Location of bank.**—In *Farmers & Mechanics' National Bank v. Rogers* (1 N. Y. Supp. 757) the complaint alleged that the plaintiff was a corporation organized under the National Banking Act, and had done business for ten years in Buffalo under the name above mentioned, and that the defendant had borrowed money, giving his promissory note therefor with collateral security, which the bank had a right to sell if the note was not paid at maturity. Instead of selling the stock, the bank demanded judgment for the amount of the note and a foreclosure of the lien on the stock. It was decided this allegation sufficiently showed the location of the bank to satisfy the code, and that a good cause of action was alleged, for, though the bank had a right to sell the stock by the agreement made with the defendant borrower, it did not follow that the bank could not come into court and ask its direction in the matter. (See *First National Bank v. Doying*, 13 Daly 509.)

PLEADING AND EVIDENCE.

SEC. 379b. **Pleading. Affidavit of debt.**—When a National bank sues under the Maryland Procedure Act of 1864 the cashier may make the affidavit required to be filed with the declaration stating the true amount of the debt. "To him is submitted the funds of the bank, and through him as executive officer its financial operations are mainly conducted. If an affidavit is to be made, stating the precise sum due by a debtor to the bank, he is the proper officer to make it." (*Parkhurst v. Citizens' Nat. Bank*, 61 Md. 254, the court citing *Trenton Bank v. Haverstick*, 6 Halst. 172; *Mix v. Andes Ins. Co.*, 74 N. Y. 55; *Shaft v. Phoenix Mutual Life Ins. Co.*, 67 Id. 549, Aug. & Ames on Corp. sections 299, 366.)

SEC. 379c. **Pleading. Equitable relief.**—When some of the matters charged in a bill are peculiarly of equitable cognizance, and allegations of fraud pervade every part of it, the case is within the province of equitable relief. (*Duff v. First Nat. Bank*, 13 Fed. Rep. 65.)

CRIMINAL OFFENSES.

SEC. 382. **Embezzlement.**—To constitute an embezzlement it must be shown that the funds embezzled came lawfully into the possession of the accused, and were while thus held converted to his own use with the intent to defraud the bank. The possession,

* Copyrighted by HOMANS PUBLISHING COMPANY.

however, need not be exclusive. If the business or assets of the bank were actually or practically intrusted to his care and management, by virtue of his office, so that he had actual or constructive possession, the law requires nothing more. (*United States v. Harper*, 33 Fed. Rep. 471.) Nor is the exact amount embezzled of any consequence. (*Id.*)

SEC. 382a. **Willful abstraction of funds.**—To constitute the crime of willfully abstracting the funds of a National bank by its officer it must be shown that its funds were withdrawn by the accused without the knowledge or consent of the bank and converted to his use and benefit, or some one other than the bank, with the intent to injure or defraud it. (*United States v. Harper*, 33 Fed. Rep. 471.)

SEC. 384. **Indictment for making false entries.**—An indictment for making false entries, alleging that the president of a specified bank "did knowingly, wrongfully and unlawfully make, or cause to be made, false entries in a report or statement" of such bank "to the Comptroller of the Currency, as required by law to be made," setting forth the report in full and the particulars of the false entries, would be sufficient, even though the indictment did not allege that the report was made pursuant to the request of the Comptroller, or by a form or at a time prescribed by him in accordance with the statute. (*United States v. Hughitt*, 45 Fed. Rep. 47.)

SEC. 384a. **Indictment for embezzlement.**—An indictment is sufficient which avers that the accused was president of a National bank, that by virtue of his office he took into his possession some bonds that were fully described, which belonged to the bank, and that, with the intent to injure and defraud it, he embezzled them and converted them to his own use. (*Classen v. United States*, 12 U. S. Sup. Ct. Rep. 169, the court citing *United States v. Britton*, 107 U. S. 655, 669; *King v. Johnson*, 3 Maule & Sel. 539, 549.)

SEC. 384b. **If one count is good the judgment will stand.**—And if one count is sufficient to sustain the judgment it cannot be reversed, as the presumption is that the court awarded sentence only on the good count. (*Classen v. United States*, 12 U. S. Sup. Ct. Rep. 169; *Locke v. United States*, 7 Cranch 339, 344; *Clifton v. United States*, 4 How. 242, 250; *Snyder v. United States*, 112 U. S. 216; *Bond v. Dustin*, 112 U. S. 604.)

SEC. 386. **Embezzlement with intent to defraud.**—The crime of embezzlement with intent to defraud does not mean malice or ill will, but such intent to defraud as may be inferred from the willfully and knowingly doing that which is illegal, and which, in its necessary and natural consequence, must injure another. (*United States v. Harper*, 33 Fed. Rep. 471.)

SEC. 388. **A criminal application of funds.**—To constitute a willful and criminal misappropriation of the funds of a National bank by its officers the accused need not have been previously in the actual possession of them by virtue of a trust or employment. The misappropriation is criminal if made by him or by some one under his direction and control, either for his benefit or the benefit of some one other than the bank, with the intent to injure or defraud it. (*United States v. Harper*, 33 Fed. Rep. 471.)

SEC. 390. **Liability for exercise of official discretion.**—"If the directors or managing committee of a National bank, in the honest exercise of official discretion, in good faith and without fraud, make loans or discounts for the actual or supposed advantage of the association, there is no criminal responsibility, although the transaction may be injudicious and unsafe, and actually result in loss or damage to the bank. But if such loans or discounts are made in bad faith, for the purpose of personal gain, or for private advantage of the officers, and not, therefore, in the honest exercise of official discretion, the officer making them crosses the dividing line between honesty and dishonesty, and his action is criminal and punishable under the statute, if done with the intent to injure or defraud the association." (Jackson, J., *United States v. Harper*, 33 Fed. Rep. 471, 484.)

SEC. 392. **False entries.**—In interpreting the last clause of the statute relating to false entries it has been declared that directors are "officers"; consequently it is a misdemeanor for the president, vice-president, cashier, and perhaps tellers, to make false entries in any book, report or statement of the bank for the purpose of deceiving them. (*United States v. Means*, 42 Fed. Rep. 599.) Says Hammond, J.: "The president and vice-president are only directors with official titles, and charged with doing in detail what the directors are charged with doing generally." (*Id.*) The directors "are the managing officers of the bank, and this statute against false entries protects them against deceit, and was intended to do so." But if they are accomplices in a speculation and false entries are made to hide it, they are not deceived thereby, and the president, cashier or other officer who made them cannot be convicted of a misdemeanor in deceiving them. In such a case there is no deception. (*Id.*)

A false entry includes any one on the books of the bank which is intentionally made to represent what is not true or does not exist, with the intent either to deceive the officers or defraud the bank. The crime may be done personally or by direction. (*United States v. Harper*, 33 Fed. Rep. 471.)

An entry must be willfully and intentionally false; mere clerical mistakes, or an arbitrary exercise in keeping books, will not constitute this offense. (*United States v. Allen*, 47 Fed. Rep. 696.)

The erasure of figures constituting part of a number already written in an account book, and the writing of different figures in place of the erased, constitutes the "making an entry" within the meaning of this statute. "When a person makes an entry in books of account, the act may involve, and oftentimes does involve, an alteration of an entry previously made; but the act does not lose its character on that account." (*United States v. Crecilius*, 34 Fed. Rep. 30.)

If the officers of a bank should put promissory notes, with or without the consent of their makers, among the assets of the bank, and enter them on its books, though not owned by it, and with intent to deceive the National bank examiner, they would be punishable under the statute. (*Cross v. North Carolina*, 132 U. S. 131.)

SEC. 393. False entries in reports to the Comptroller.—In an indictment for making false entries in a report to the Comptroller, with the intent to injure and defraud the bank, the shareholders and the directors, it is not sufficient to prove an intent to deceive other persons, such as creditors, depositors, the Comptroller or the public. (*United States v. Allen*, 47 Fed. Rep. 696.) On the other hand, when such an indictment is against the president he cannot defend that the entries were made by a clerk and verified by the president without actual knowledge of their truth, for it is his duty to inform himself and especially of all items of assets and liabilities. (*United States v. Allen*, 47 Fed. Rep. 696.)

The testimony of a bank examiner who is a skilled accountant is admissible to show false entries. (*United States v. Allen*, 47 Fed. Rep. 696.)

SEC. 408. A State court has no jurisdiction of the offense of embezzling the funds of a National bank (*People v. Fonda*, 62 Mich. 401), and probably not of an offense for forgery committed by a bookkeeper in a National bank consisting of the filling a draft without authority which had been signed in blank by the assistant cashier, and issuing it and fraudulently changing the entries on the books to cover his crime. The Supreme Court of Illinois, however, have decided that the crime is within the jurisdiction of the State courts. (*Hoke v. People*, 122 Ill. 511.)

SEC. 408a. A State cannot enact a law to punish a National bank cashier.—The statute of a State, declaring that it shall be a misdemeanor for the cashier of a bank to engage in any other profession, occupation or calling, is not applicable to the cashiers of National banks. (*Allen v. Carter*, 119 Pa. 192; *Commonwealth v. Katner*, 92 Pa. 372.) As the power of Congress to create a complete system of government for the National banks is conceded, a disqualification cannot be imposed on one of their officers by an act of a State Legislature. (*Id.*) Says Paxson, J.: "If the State

may impose one qualification upon the cashiers, why not another? If upon the cashier, why not upon the president or other officer? Nay, further, suppose the Legislature should declare that no person should be a bank director unless he has arrived at fifty years of age, or should be the owner of one hundred shares of stock, could we apply such an act to National banks? If so, such institutions would have a precarious existence. They would be liable to be interfered with at every step, and it might not be long before the whole National banking system would have to be thrown aside as so much worthless lumber."

SEC. 408b. Trial. When jury may be dismissed.—On a trial for embezzlement, after evidence had been given for the prosecution, an affidavit was produced alleging that a juror had falsely swore that he had no acquaintance with the accused. A letter commenting on this affidavit was published in a newspaper and was read by members of the jury. It was held that the court was warranted in dismissing the jury, and that a new trial was not barred on the ground of former jeopardy. (*Simmons v. United States*, 12 U. S. Sup. Ct. Rep. 171; *United States v. Morris*, 1 Curt. 23, 37.)

SEC. 408c. Trial. Province of judge in charging the jury.—On a trial for embezzling the funds of a National bank, the jury asked for a discharge because they could not agree. The judge told them that the evidence was so convincing he could not understand their difficulty in reaching an agreement. This was declared to be proper, as a Federal judge can express an opinion on the facts. Said Mr. Justice Gray: "It is so well settled, by a long series of decisions of this court, that the judge presiding at a trial, civil or criminal, in any court of the United States, is authorized, whenever he thinks it will assist the jury in arriving at a just conclusion, to express to them his opinion upon the questions of fact which he submits to their determination, that it is only necessary to refer to two or three recent cases in which the judge's opinion on matters of fact was quite as plainly and strongly expressed to the jury as in the case at bar." (*Simmons v. United States*, 12 U. S. Sup. Ct. Rep. 171, citing *Railroad Co. v. Putnam*, 118 U. S. 545; *United States v. Railroad Co.*, 123 U. S. 113; *Lovejoy v. United States*, 128 U. S. 171.)

PREFERENCES, DISSOLUTION AND RECEIVERSHIP.

SEC. 414. What is a preference.—The Pacific National Bank of Boston, which was not a member of the Boston Clearing House, cleared its checks through the National Security Bank, which were deposited with it for that purpose. The Pacific Bank determined on Saturday to go into liquidation and a receiver was appointed about ten o'clock on the following Monday. Half an hour earlier the cashier sent the checks and drafts received by mail to the

Security Bank, and also his check for the whole amount of the bank's deposits, for which he received a negotiable certificate of deposit of the Security Bank. That bank at the same time held the Pacific Bank's negotiable certificate of deposit. No officer of the Security Bank knew or suspected that the Pacific Bank was insolvent. It was held that the cashier of the Pacific Bank must have presumed that the Security Bank still held its certificate of deposit, and that in sending to that institution the checks and drafts mentioned he was making a transfer which operated as a preference, and was therefore void. The Security Bank could not set off the certificate of deposit of the other bank against its own. (*National Security Bank v. Butler*, 129 U. S. 223, affg. 22 Fed. Rep. 697.)

But when security is given at the time of borrowing money in good faith, and simply to protect the lender, who has no reason to suppose that the borrower is insolvent, the transaction is not a preference, even though the borrower was in fact insolvent. (*Armstrong v. Chemical Nat. Bank*, 41 Fed. Rep. 234.) Nevertheless, the lender has no lien on such securities for the balance of a general account, but only for the payment of the particular loan that has been made on them. (*Id.*)

Neither would the payment of a certificate of deposit by an insolvent bank more than six weeks before its suspension, when it was apparently in good standing and its insolvency was known only by the cashier, be a preference, especially when there was no evidence to show an intent on his part to give one. (*Hayes v. Beardsley*, 17 N. Y. Supp. 404.)

Again, if a sum of money should be put into the hands of a cashier of an insolvent bank to indemnify him as surety on an attachment bond, and which should become mingled with the bank's funds and pass to the receiver, it could nevertheless be recovered from him as a trust fund, not belonging to the assets of the bank (*Flint Road Cart Co. v. Fifth Nat. Bank*, 32 Mo. App. 341), and a State court would have jurisdiction of an action to recover such a fund. (*Id.*)

But a mortgage executed by a cashier and shareholder of all his property after the failure of his bank to secure a depositor would be a preference, and could not stand against a judgment obtained by a receiver compelling him to pay an assessment on his shares. (*Gatch v. Fitch*, 34 Fed. Rep. 566.)

SEC. 414a. Collections.—A bank which in good faith has accepted the draft of a National bank the day before the latter's insolvency, and afterward has paid the same, is not prohibited from applying the proceeds of collections from paper in its possession belonging to the insolvent bank to the payment of the draft, as its lien on such collections runs from the date of the acceptance. (*In re Armstrong*, 41 Fed. Rep. 381.)

SEC. 419. **Effect of attachments.**—No attachment before final judgment can be issued against a National bank. (*Bank of Montreal v. Fidelity Nat. Bank*, 1 N. Y. Supp. 852; *First Nat. Bank v. La Due*, 39 Minn. 415.) Such an attachment is void, and no jurisdiction is obtained over the property of the association. (*First Nat. Bank v. La Due*, 39 Minn. 415.) But it has been maintained that the dissolution of a National bank by a decree of a Federal court does not affect the rights of a creditor whose action against it was pending at the time in a State court. (*Id.*) Says Macomber, J.: "Notwithstanding the dissolution, the corporation is deemed to live, at least to such an extent as to permit creditors who have acquired valid liens to maintain them, and the action to continue in form by its present title as though the defendant had an actual legal existence." This opinion does not harmonize with that of a higher court. In *National Bank v. Colby* (21 Wall. 609) in which the charter of a bank had been dissolved, Field, J., said: "With the forfeiture of its rights, privileges and franchise the corporation was necessarily dissolved, as the decree adjudged. Its existence as a legal entity was thereupon ended; it was then a defunct institution, and judgment could no more be rendered against it in a suit previously commenced than judgment could be rendered against a dead man dying *pendante lito*. This is the rule with respect to all corporations whose chartered existence has come to an end, either by lapse of time or decree of forfeiture, unless by statute pending suits be allowed to proceed to judgment notwithstanding such dissolution. The prolongation of the corporate life for this specific purpose as much requires special legislative enactment as does the original creation of the corporation. No such enactment is found in the act of Congress authorizing the creation of National banks and prescribing their powers, nor is there any provision elsewhere, that we are aware of, which would prevent the dissolution of a corporation from working the abatement of a suit pending against it at the time."

SEC. 419a. **Attachment. Act of July, 1882.**—It has been questioned, however, whether the act of July 12, 1882, relating to suits (3,339) did not remove the prohibition of attachment against a National bank. (*Norris v. Merchants' Nat. Bank*, 30 Ill. App. 54.) As, however, the privilege is of a personal nature, it may be waived. (*Id.*)

In *Butler v. Coleman* (124 U. S. 721) Waite, Ch. J., declared that since the act of 1873 attachment could not issue from State courts against National banks. Since that date "all the attachment laws must be read as if they contained a provision in express terms that they were not to apply to suits against a National bank." And a bond predicated on such an attachment must be void as well as the attachment itself. (*Id.*) In like manner as the trust-

eeing of a debt to a bank is in effect an attachment of its property, this cannot be done. (*Safford v. First Nat. Bank*, 61 Vt. 373.)

SEC. 419b. Effect of failure of bank after issue of execution but before collection.—If a bank should fail after final judgment has been obtained, and an execution has been issued, but before satisfaction of the judgment, what are the rights of the creditor? A case involving this question is now pending. A bank obtained judgment against a National bank, and had an execution issued and attempted to secure a lien on some pledged notes, but before getting possession of them the bank failed. It was held that the proper mode of procedure by the receiver to recover them was by a bill in equity (*Chase v. Cannon*, 4 Fed. Rep. 674; *Bank v. Mixter*, 124 U. S. 731), but whether he can recover has not yet been decided.

SEC. 428. Powers of receiver.—Passing to a receiver the assets of a National bank in his hands constitute a trust fund in behalf of all creditors having claims that are valid when he was appointed. (*Riddle v. First Nat. Bank*, 27 Fed. Rep. 503.) Nor are these affected by the statute of limitations. (*Id.*)

SEC. 428a. Property which the receiver can hold.—Numerous questions have arisen whenever a bank has failed concerning the right of the receiver to hold the deposits of depositors, whether money or checks, and also the checks received for collection from other banks or the proceeds of them.

As we have seen, if a bank has received deposits when insolvency is impending they must be returned, for it is a fraud on depositors to keep them. And checks also are to be returned received under the same conditions. If the bank was not thus insolvent when they were received, but they were deposited for collection, they belong to the depositor, or if they have been collected and the proceeds can be clearly traced he can claim these. (*First Nat. Bank v. Armstrong*, 36 Fed. Rep. 59.)

SEC. 429. Contracts with receiver.—Persons contract with him at their peril. He cannot, for example, in collecting a mortgage, make a contract with an attorney to give him one-half of the land that may be obtained in satisfaction of the mortgage, or one-half of the proceeds of the bank's claim. (*Barrett v. Henrietta Nat. Bank*, 78 Texas 222.) In deciding this point the court remarked that the receiver had power to employ counsel to represent him in such litigation as he deemed necessary, and to pay the reasonable value of his services, but he had no power to make an agreement like that described.

SEC. 431a. Receiver's authority in pending suits.—If a suit is pending against a National bank at the time of appointing a receiver, he can be substituted in place of the bank. This should be done instead of making him an additional party defendant.

(*Sioux Falls Nat. Bank v. First Nat. Bank*, 50 N. W. Rep. 829.) Nor can a bank after his appointment appeal from any order relating to the dissolution of an attachment made before its failure. He alone can act. (*Id.*)

SEC. 431b. **Receiver's authority in subsequent suits against a bank.**—If a bank is sued after the appointment of a receiver it is only a nominal party, for he is accountable for the disposition of its funds. Thus, if a bank is sued to recover funds which it collected, the receiver must defend the proceeding. (*Grant v. Spokane Nat. Bank*, 47 Fed. Rep. 673.)

SEC. 433. **What property can the receiver hold.**—In *Peters v. Bain* (133 U. S. 670) the individual partners in a private bank were also directors in a National bank, and became the possessors of a large part of its means. They failed and assigned their property for the benefit of their creditors; the bank also suspended and went into the possession of a receiver, who sought to recover the bank's property which had been taken as above described. It was decided that he was entitled to all which had been purchased with the moneys of the bank that he might elect to take, as distinguished, however, from moneys in the general fund at the time of such purchases. (See *Frelinghuysen v. Nugent*, 36 Fed. Rep. 229, 239; *National Bank v. Insurance Company*, 104 U. S. 54, 67.)

As a receiver can hold only the property of the bank, so he can be sued to recover that which does not belong to it. In *Arnot v. Bingham* (55 Hun. 553) it was contended that the court was without jurisdiction in an action to recover the amount of a note which the bank had collected. Said Martin, J., "That the provisions of the Federal law for the establishment of National banks and for winding up their affairs provide the only remedies that are available to the creditors of such a bank; and that the remedies thus provided are exclusive of any other. If it be true that the relation between the plaintiffs and the defendant bank was that of debtor and creditor, then we think the contention of the appellant must be sustained; but if, on the other hand, the relation was that of bailor and bailee, or trustee and *cestui que* trust, so that the fund received by the receiver was, in fact, the property of the plaintiffs, or was so far impressed with a trust in their favor as to give them an equitable title thereto, we think the rule would be otherwise. (*Corn Exchange Bank of Chicago v. Blye*, 101 N. Y. 303; *Carigie v. Smith*, 14 Abb. N. C. 409; *Cragie v. Hadley*, 99 N. Y. 131.)

SEC. 436. **Suit by a receiver.**—A receiver may maintain a suit in the United States Circuit Court without reference to the citizenship of the parties or the amount involved. (*Armstrong v. Trautman*, 36 Fed. Rep. 275; *Armstrong v. Ettlesohn*, *Id.* 209; *Frelinghuysen v.*

Baldwin, 12 *Id.* 395; *Price v. Abbott*, 17 *Id.* 506; *McConville v. Gilmour*, 36 *Id.* 277.)

SEC. 436a. A receiver can remove suits to the Federal courts.—As a receiver holds his office under Federal authority, the circuit court is invested with jurisdiction in suits in which he is a party, for example, when the bank is sued for a collection that it made and did not remit before it failed. (*Grant v. Spokane Nat. Bank*, 47 Fed. Rep. 673, the court citing *Armstrong v. Ettlesohn*, 36 *Id.* 209; *Armstrong v. Trautman*, *Id.* 275; *McConville v. Gilmour*, *Id.* 277; *Sowles v. Witters*, 43 *Id.* 700; *Tennessee v. Davis*, 100 U. S. 257, 264; *Railroad Co. v. Mississippi*, 102 U. S. 135, 141; *Feibelman v. Packard*, 109 U. S. 11; *Bachrach v. Norton*, 132 U. S. 337; *Reagan v. Aiken*, 138 U. S. 109; *Bock v. Perkins*, 139 U. S. 630.)

But a State court has jurisdiction in an action by a receiver to foreclose a mortgage owned by a National bank which is in liquidation. (*Witters v. Sowles*, 61 Vt. 366.) Says Taft, J., with reference to the authority of a receiver: "In the collection of debts, we think he may invoke the aid of any court having jurisdiction in other respects. The administration of the law relating to the settlement of the affairs of insolvent National banks is in no manner involved. Suits for the collection of such debts are not within any of the classes of cases in which the courts of the United States have exclusive jurisdiction, and if the latter have jurisdiction it is concurrent with the State courts."

SEC. 436b. In a suit based on fraud he may resort to equity.—When a receiver seeks to have certificates of indebtedness canceled and notes returned which are held as collateral security therefor, on the ground of fraud, equity is the proper remedy. (*First Nat. Bank v. Moore*, 48 Fed. Rep. 799.) Nor is such a bill multifarious if it be brought against two banks and their respective managing officers when the fraud is a single transaction perpetrated in pursuance of a single scheme. (*Id.*)

With respect to the admission of evidence in a suit by him against the maker of some promissory notes, it has been decided that evidence of conversations between a committee of which the defendant was a member, and the Comptroller of the Currency, relating to the notes in question, was admissible. (*Corcoran v. Batchelder*, 147 Mass. 541.)

[TO BE CONTINUED.]

BANKERS' CONVENTIONS.

THE MISSISSIPPI CONVENTION.

The convention of the Mississippi Bankers' Association was opened by an address by the president, Mr. Lee Richardson, in which he said : "I desire to call your attention to the inequality of bank taxation, and how to remedy it is the question which interests every bank, merchant, manufacturer and planter. I cannot better explain our present situation than by quoting from a letter written by Mr. W. C. Richards, of Columbus, to our secretary, in which he states :

Under the operation of the recently enacted State Revenue Law, it seems to me that banks are singled out for onerous and rigorous treatment, in subjecting their entire resources to a State tax, to a varying county tax, and to a widely varying municipal tax. I mean varying in different parts of the State.

If banks be a necessity, a public benefit, their business not confined to the point of their location, but extending over large areas of the State, it would seem just that they be put on a plane of other desirable public enterprises, such as railroads, telegraphic lines, insurance companies, etc. If the county and municipal levy of Warren and Vicksburg, Adams and Natchez, Lauderdale and Meridian, be twice as great as that of Lowndes and Columbus—and my information is that it is very nearly that—certain it is that banks at those points do business at a disadvantage as compared with points much less heavily taxed.

Cheap money to banks means cheaper money to their customers, and more abundant money to banks means a more abundant accommodation to their customers.

Under this onerous taxation, directors, instead of strengthening their institutions by annual additions to surplus, are taxing their ingenuity to keep it at the lowest limit allowed.

I think favorably of a State tax on the value of capital in lieu of all other taxes, and out of this tax so collected, pay to the county and town each a fixed and fair percentum of it."

Essays were read by President J. S. McDonald, of the Delta Bank, Greenwood, on "Land Security for Banks"; by President A. G. Campbell, of the First National Bank of Natchez, on "Collections, Rates of Exchange and Routes"; by R. W. Milsaps, President Merchants and Planters' Bank, Hazlehurst, on "Surplus, its Use and Disposition"; and by W. A. West, cashier of the Merchants and Farmers' Bank, of Oxford, on "Taxation—Modification and Changes Desired," these subjects being very ably treated by the respective authors.

A resolution declaring that the United States should, at the coming International Monetary Conference, join Great Britain in maintaining a single standard of values, was presented, discussed at length, and a substitute adopted, in which the convention declared itself unalterably opposed to the bill now under consideration in Congress and providing for the free coinage of silver. Mr. T. R. Roach had responded to the original resolution, and Messrs. W. A. West, R. W. Milsaps, G. D. Able, and others, participated in the ensuing discussion.

A resolution opposing the proposed enactment of a National bankruptcy law was also adopted, and the secretary was instructed to telegraph the Senators and Representatives in Congress, requesting that their influence be used against the passage of the bill.

The following officers were elected for the ensuing year : President, A. G. Campbell, president First National Bank of Natchez.

Vice-President, W. A. West, cashier Merchants and Farmers' Bank of Oxford.

Secretary and Treasurer, B. W. Griffith, cashier Capital State Bank of Jackson.

Executive Committee : Chairman, Dr. P. W. Peeples, president of the Bank of Jackson ; R. C. Shepherd, president Bank of Yazoo City ; J. W. Keyes, vice-president Bank of Tupelo ; J. P. Roach, president First National Bank of Vicksburg, and J. W. Griffiths, president of the Grenada Bank.

THE MISSOURI BANKERS' CONVENTION.

The Bankers' Association of Missouri held its second annual convention at Sedalia on the 9th and 10th of June, and was largely attended by bankers from all parts of that State. The convention was presided over by its president, R. L. McElhany, of Springfield. Among the more important papers read before the convention were two able documents by Mr. John Caro Russell, cashier of the National Bank of the Republic, of St. Louis, and secretary of the State Bankers' Association. One of them was upon Domestic Exchanges, or the vexed question of country check collections, which we give in full.

It appears that domestic exchange is of several kinds. We have exchange in the shape of collections from city banks, that is, banks at other reserve cities than our own sending to us for collection items on country points in our territory.

Some of our correspondents wish to send us all the trash they can work off on us, and have it put to their credit, giving us a little cash exchange or exchange for our point along with the bad. They wish to get as much interest on such balances as they can. It appears that in giving our correspondents credit for exchange of this class, half of their balances are fictitious balances, or balances created by our loaning them money, and if we pay them interest on their balances, say, for instance, if they have a balance of \$40,000, half of this balance will be fictitious, and we will thereby pay interest on twice as much as we really have in cash ; say half of it will be uncollected, and half collected. If we were to pay two per cent. on such a balance, we would be paying 4 per cent. on the actual cash balance with us. This kind of account is very unprofitable to all banks, and they are seeing the point and are getting rid of such, or reducing them to a non-interest basis, and charging them for remittances of their balances as they call for them, or remitting for them, say twice a month. This class of out-of-town business is the kind that causes so much criticism of the banking business at present, and will have to be remedied, as it is causing a great many collections to be sent in roundabout ways, in order to have them collected at par—one bank trying to load off its unprofitable or non-paying collections on other banks.

Another class of collections comes from country banks to us, say from small banks in the country. Ninety-five per cent. of the collections or exchange coming from those banks are cash items, to exchange on large points, such as cotton bills of lading exchange, drafts for shipment of cattle, or collections on large banks. This class of business is very profitable, as these collections can be sent direct to our correspondents at large points, and drawn against at our pleasure.

The difference between a country bank account and a local depositor is that the country bank account is more active than the local depositor's, and it is customary to pay him interest on his balances.

Another class of exchange is given us by our wholesale merchants, who deposit checks from their country customers as cash, such items throwing the money of the banks into the country or in a direction where they cannot draw against such collections or cash items, and puts them in the same shape as collections from our neighboring city banks, or banks at other reserve cities. This class of exchange is also not desirable. We are not seeking to make many more reciprocal accounts on the old basis, but are arranging to give and receive to our correspondents a business which will be mutual. The collection business is getting to be costly rather than a paying business.

Our proportion of foreign collections is not as large as formerly.

The proportion of banks who return reciprocal favors has been reduced of late, as the collection business has become a nuisance. The remuneration is not commensurate with the amount of work and cost. There is very little charging on collections, and there is no bank making any great amount on collections at present.

A National Clearing House we do not think the thing, as in our opinion it would not work. The existing Clearing Houses could not, under the circumstances, do work of this kind. We would suggest that this can be done only through banks at reserve cities transacting the business for their country correspondents, and giving such facilities to other banks at large reserve cities as they can offset. The making of collections all over the country has gone too far, and is being by degrees cut down and brought into line. It must be brought to a paying basis. The banks which have done the large collection business over the country have come to grief. A great many of them have built up large deposits by doing a great deal of free business, but have had to pay so much for it that they either have not made money or have become speculators in a vain attempt to make money out of such deposits.

The system will soon be remedied, as the different bankers' associations over the country have it under consideration and have discussed it, and they have all come to the conclusion that a remedy must be effected; that the giving of so many credits on checks and drafts create fictitious balances which is not good banking, and that it cannot stand close scrutiny.

Fourth class: Drafts drawn in favor of wholesale merchants and others on large commercial points against balances to pay bills and obligations. This class is so simple that it needs no discussion, and is only named to complete the subject.

The following resolution on "Country Collections" was adopted unanimously:

Resolved, That owing to the great hardship imposed upon the city and country banks in handling country items without any charge for same, and at great cost to themselves, we respectfully recommend that the city banks will make a fair and agreed charge on all country checks deposited by local depositors, as well as any items sent them by country banks for credit, and that country banks discourage the practice of their customers in remitting for their bills their local checks.

Mr. Russell also read another very interesting, but lengthy paper on "Coin Money, Ancient, Present and Future," for which we have not space in this issue, but hope to be able to find space hereafter, as it bears directly upon the coming International Bimetallic Conference and the silver question. One of the most interesting papers read was one on "Gold Contracts," by Mr. O. A. Crandall, of the Sedalia National Bank:

When Michael D. Harter said that "Credit makes currency much more rapidly than mints, and without waste," he unwittingly proclaimed

the principles of the greenback monetary system. Monometalist though he be, yet he is compelled to admit that credit, and not gold, furnishes the circulating medium of commerce. There may have been a time in the infancy of commerce when gold, silver and bronze furnished all the money necessary for the transaction of business, but as time passed and the volume of business increased, metal became too scarce and too cumbersome to meet the requirements of trade, and substitutes had to be invented. Bills of exchange were first used as a substitute for money, then came checks and bank notes, and finally exchequer bills and notes of the Government in various forms and under different names, until at the present time over 95 per cent. of the business of the world is carried on with these various forms of evidences of debts, called credit currency.

It is not necessary for the purposes of this paper to attempt to give a list of all the different forms of credits now passing current as a substitute for money in the civilized nations. Such a list would fill a volume. They constitute many forms, are issued by many different institutions and governments, and a large proportion are issued without even a promise of redemption in coin; yet they buy the luxuries as well as the necessities of life, pay debts, and answer all the purposes of money. They enter into every ramification of business, are received and paid out the same as money, and so long as they but faithfully perform these services, there is but little need of metal money. But it is said that gold is the basis of the credit currency. If we will examine the monetary statistics of the world we will find that gold furnishes less than 20 per cent. of the redemption funds, while faith furnishes over 80 per cent., or all the balance, and that about 3 per cent. of the business of the world is transacted with gold coin.

The amount of coined gold now in use in the civilized world, according to the report of the Director of the United States Mint, is \$3,301,000,000, of which \$700,000,000 is held in the United States.

The report of the Secretary of the Treasury shows that the total gold and silver coin, Treasury notes, gold and silver certificates and National bank currency held in the United States amounts in round numbers to \$2,200,000,000. Even this large sum does not furnish more than 10 per cent. of the circulating medium necessary for the transaction of the domestic commerce of the republic, and resort is had to the various forms of credits heretofore mentioned to keep business moving.

The business transacted through the Clearing Houses of the principal cities of the country averages about \$1,400,000,000 per week, or twice the amount of gold held here. If money alone should be used in clearings, all the money in the country would not last two weeks. If all the holders of greenbacks and National bank notes were to present them for redemption in gold on any given day, there would scarcely be gold enough in the country to redeem them; and if the gold and silver certificates should be presented on the next day, the Government would have to suspend specie payment.

And yet, with these facts staring us in the face, we talk of, and some of us even have faith in, a gold basis. Such a thing has not existed since the introduction of credit money, nor can it be realized under the present condition of things. We may cry gold, gold, gold, but the cry must be futile until new means are discovered, and gold flows into the country in greater supply than was ever produced by the combined output of the mines of California and the land of Ophir. Credit and credit currency is the only basis upon which business can be carried on, and the earlier we place our credit system upon a sound footing, the more distant will be the day of disaster. This can only be done by preventing discrimination against any class of money.

Banks hold a very responsible position in the body politic, and the public watch their operations with the least shadow of suspicion, and it behooves them to take such course in regard to monetary affairs as will best retain the confidence of the public. To a large degree they are guardians of the people's money, and, as such, it is their duty, as far as possible, to maintain the credit of everything that constitutes the circulating medium, without regard to its form or the material from which it is made. Notwithstanding this duty, and the influence that should be exerted against it, there can be little doubt that a scheme has been inaugurated to discredit all forms of money but gold, by demanding gold contracts. Designing men who desire to place gold at a premium are instigators of this scheme, and they have been followed by conservative and timid capitalists, without a thought as to the disastrous results that must follow a general adoption of the practice, until we have nearly reached the danger line. The first named class are the mischief makers, and unless a halt is called we are liable at any day to see National bank notes and Government obligations at a discount. The movement has gone far enough, and it rests with the bankers of the country to say that it shall stop. It matters not how distasteful a certain sort of currency may be, so long as it has been created by solemn act of Congress and enters into the great monetary system of the republic, it should not be discriminated against.

The individual who contemplates making a contract to pay \$100,000 in gold should first consider where and how the gold can be obtained to meet the payment. Bank bills, silver, or silver certificates will not answer the purpose; nothing but gold will pay the debt. Should gold contracts become so large that the necessary quantity of gold required to meet this payment could only be obtained with difficulty, it would at once go to a premium, and then under the gold standard all other money would be at a discount. It is not our province here to declare in favor of either gold, silver or greenback currency, but to stand by all the lawful currency of the country as it exists and prevent the disasters that must inevitably follow a division. To do less we become law breakers and do violence to the best interests of the country.

We had a narrow escape when the United States Senate, by a vote of 24 to 25, struck the gold clause out of the bonds issued by the Territory of Arizona. When the Government, by its official act, discriminates in favor of gold, it practically repudiates its own currency and it will be only a question of time when disaster and ruin must follow, for suspicion once aroused against what passes as lawful money will soon lead to a divided currency. The safety and security of the country demands that there shall be no discrimination made against any part of our currency, but that all contracts shall be paid in lawful money, without regard to the particular kind named in the contract.

It may be well to consider the propriety of asking Congress to pass a law declaring all contracts payable in lawful money, without regard to the particular kind of money mentioned in the contract.

✓ ——— THE SOUTH DAKOTA CONVENTION.

The following officers were elected for the ensuing year:

President—M. P. Beebe, of Ipswich.

Vice-President—Geo. A. Pettigrew, of Fiandrau.

Secretary—David Williams, of Webster.

Treasurer—Geo. H. Rathman, of Mitchell.

Chairman Executive Council—F. G. Hale, of Scotland.

THE CANADIAN MEETING.

The first annual meeting of the Canadian Bankers' Association was held in the board room of the Merchants' Bank of Canada. Mr. George Hague, general manager of the Merchants' Bank, and president of the association, occupied the chair, and about thirty representatives of the banking institutions of the Dominion were present. The business done was purely in the direction of organizing the association on a working basis, and most of the time was spent in the election of officers. Sir Donald A. Smith, K. C. M. G., and Senator J. D. Lewin, president of the Bank of New Brunswick, were appointed honorary presidents. Mr. George Hague was reappointed president. The new vice-presidents are: B. E. Walker, general manager of the Canadian Bank of Commerce; J. Stevenson, general manager Quebec Bank; Thos. Fyshe, cashier Bank of Nova Scotia, and W. C. Ward, manager Bank of British Columbia.

The executive council comprises R. R. Grindley, general manager Bank of British North America; E. S. Clouston, general manager Bank of Montreal; F. Wolferstan Thomas, general manager Molsons Bank; George Burn, cashier Bank of Ottawa; Geo. A. Schofield, manager Bank of New Brunswick; W. Farwell, general manager Eastern Townships Bank; J. S. Bousquet, cashier La Banque du Peuple; Duncan Coulson, general manager Bank of Toronto; and D. R. Wilkie, cashier Imperial Bank.

Outside of the election of officers, the only business done was the decision to hold the next annual meeting in Toronto and to extend the session over two or three days, in order to give time to admit of the presentation of essays upon banking subjects.

The first annual banquet of the association was held at the Windsor. Among others were present: The president of the association, Mr. George Hague, general manager of the Merchants' Bank of Canada, occupying the chair. On his right were Sir Donald Smith, K. C. M. G.; U. S. Consul-General Knapp. Judge Cross, E. B. Greenshields, president of the Board of Trade; Judge Taschereau, D. R. Wilkie, cashier of the Imperial Bank; J. G. Shaughnessy, vice-president of the C. P. R.; Dr. Hingston, John Torrance, of the Dominion Line of Steamships; Senator Edward Murphy, E. S. Clouston, general manager Bank of Montreal; W. R. Elminherst, of the St. Lawrence Sugar Refinery; Judge Gill, John Crawford, of Verdum; A. M. Crombie, local manager Bank of Commerce; W. W. Ogilvie, A. W. Morris, M. P. P., National Cordage Company; J. Hamelin, Chas. Chaput, A. Dawes, Chas. Cassils, J. S. Bousquet, general manager Banque du Peuple; Judge Mathieu, Ex-Mayor Beaugrand, of *La Patrie*; O. Faucher, C. P. Hebert, first vice-president Board of Trade; E. Rawlings, managing director of the Accident and Guarantee Company; H. V. Meredith, Bank of Montreal; J. Elliot, assistant general manager Molsons Bank; T. V. McDonald, local manager Bank of Nova Scotia; F. Fyshe, cashier Bank of Nova Scotia.

On the left of the president were Senator Drummond, Mayor McShane, B. E. Walker, general manager Bank of Commerce; J. J. Curran, Q. C., M. P.; Judge Davidson, J. Greene, secretary American Banking Association; Sir Joseph Hickson, J. Cornwall, cashier National Bank of Buffalo; Dr. Craik, Ald. Rolland, L. E. Morrin, Sr., president Chambre de Commerce; W. T. Buchanan, ex-general manager Bank of Montreal; Judge Tait, James Crathern, Richard S. White, Mr. Turnbull, Bank of Hamilton; R. Reford, W. Weir, president Ville Marie Bank; R. L. Gault, A. E. Gault, E. L. Pease, local manager Merchants' Bank of Hal-

ifax; C. R. Hosmer, manager Canadian Pacific Telegraph Co.; Messrs. Finley, Deacon, John Davidson, John Gault, local manager Merchants' Bank, and W. M. Ramsay, manager Standard Life Assurance Co.

Inside the horseshoe were Godfrey Weir, R. Bickerdike, C. A. Danse-reau, the postmaster; Judge Doherty, A. De Martigny, of the Jacques Cartier Bank; F. X. St. Charles, Hochelaga Bank; J. Huot, Jacques Cartier Bank; W. Robb, city treasurer; M. S. Foley, proprietor *Journal of Commerce*; F. B. Shallow, proprietor *Moniteur du Commerce*; Messrs. Balfour, Shepherd, S. Bethune, Lang, Biron, Judge Pagnuelo, C. R. Giroux, Hochelaga Bank; W. Richer, Banque du Peuple; D. Waters, Bank of Nova Scotia; L. J. Forget, Thomas McDougall, manager Quebec Bank; G. W. Stephens, M. P. P.; A. Desjardins, Jacques Cartier Bank; M. Branchaud, D. Laviolette, Judge Ouimet, J. Nowers, Merchants' Bank; Arthur Gagnon, D. W. Brunet, J. A. Vaillancourt, Sam. H. Ewing, Jeffrey Penfold, local manager Bank of British North America; W. H. Meredith, J. Magee, Judge Dugas and A. Wurtele.

The vice-chairmen were R. R. Grindley, general manager Bank of B. N. A., and F. Wolferstan Thomas, general manager Molsons Bank.

After the menu had been done full justice to, Mr. George Hague, the president, rose to propose the health of the Queen, but, previous to this, he gave a brief resumé of the objects of the association. He pointed out that the first idea of its formation arose in Ottawa, when the bankers were present on the occasion of the renewal of the charters. It was then suggested that an association should be formed which should be able to bring the united influence of the banks to bear upon legislation. The association was founded upon three excellent models, the London Institute of Bankers, the Association of Country Bankers of England, and the great American Association of Bankers, of which two members were present at the banquet. The idea was to hold each annual meeting in a different city. Next year in Toronto, after that in Halifax, and then possibly in Vancouver or Victoria. The principal aim of the association was the spreading of sound banking ideas among the junior employes of the great financial institutions. Bad banking is detrimental not only to the banks themselves, but to every single interest in the community. A banker must know when to say "yes" and when to say "no." This represented one of the most important points in banking.

The toast of the Queen was then received with honors, and a letter of regret from Lord Stanley at his inability to be present was read.

The toast of the President of the United States was responded to by Consul-General Knapp, who received a perfect ovation upon rising. Mr. Knapp acknowledged gratefully the good will with which the health of the President was received. He then went on to draw a humorous parallel between the composure with which he could meet any ordinary assemblage compared with the trepidation he naturally felt on facing a gathering of bankers. He had several times required the discount of a piece of paper made a little more valuable by the addition of his signature thereto, and he remembered the sinking of the heart with which he faced the financial arbiter of his destiny. To face a number of bankers was even more terrible. The Consul-General then went on to point out that the growth of banking was the gradual outcome of the advance of civilization. It was not the work of one day or one year that made the Bank of England note a recognized tender all over the world, or made the English sovereign as valuable in the streets of Persia as it was in England. It was the fruit of long and honest work, and in this way it pointed an example to other nations to follow in her footsteps, as the prosperity of any country was dependent upon the soundness of its financial institutions.

Mr. Cornwall, cashier of the National Bank of Buffalo, and Mr. Greene, secretary of the American Banking Association, followed in a similar strain, and were equally heartily received.

The toast of the "Senate and House of Commons of Canada" was responded to by Senator G. A. Drummond and J. J. Curran, Q. C., M. P., and then followed that of the "Mayor and Corporation."

Mayor McShane said, in the course of a speech, that when he heard certain gentlemen from the United States of America say they hoped the line between them would be crushed, his heart echoed the sentiment. The sooner some honorable form of reciprocity was introduced between the two countries, the better. (Great applause.)

Ald. Rolland also responded in French.

The next toast was that of the Board of Trade and the Railway interests. Mr. E. B. Greenshields responded for the Board of Trade, and Mr. T. G. Shaughnessy for Railways.

Mr. E. B. Greenshields, president of the Board of Trade, gave a short historical sketch of the city of Montreal from the days of Champlain, and of the circumstances which led to Montreal becoming the commercial capital of the Dominion.

Mr. Shaughnessy, whose remarks were often of a humorous character, said the railways owed a great debt of gratitude to the banks. He gave some exceedingly interesting statistics illustrative of railway progress between the years 1882-'92, and of the development of the Northwest, and in conclusion hoped the bankers would use their great influence to bring about an Atlantic fast service.

The "Banking Interests of Canada" being the next toast, Sir Donald A. Smith responded in a very short speech, and was followed by Mr. B. E. Walker, manager of the Canadian Bank of Commerce, who made a very interesting speech. When visiting a museum some time ago, he said, he had seen some accounts kept by ancient Egyptians on tablets. Almost immediately afterwards he had been shown some particulars of Scotch banking in the last century. It had set him thinking. These silent witnesses spoke to a greater development in this century than in all the centuries that had preceded it. It was said that steam and electricity had been the agents that had given such an impetus to the trade of our day, but he (Mr. Walker) was convinced that, although the power of steam and the power of credit had doubtless each played their part, the one in locomotion and the other in the transmission of thought, it was the power of credit that had done the most. He then touched on the tremendous responsibility that rests on the shoulders of the banker. It was in the hands of the banker to promote the best interests of a country, or to bring about its ruin by encouraging undue elation. He was glad to say that the record of the banking fraternity in Canada was a clean one. Mention had been made, he said, of the professional status of bankers. This he could say, that nowadays no one could occupy such a position without a long course of education, upon the thoroughness of which depended not only his own fortune, but that of thousands. The speaker then referred to the bank note issue of this country, and in this connection took occasion to speak of the insurance system or bank ring, by which provision was made that, should any bank issuing notes fail, the holder would be at no loss, since the other banks would still honor his paper. In conclusion Mr. Walker spoke at some length of Canadian prospects. He never was a pessimist he said; he had no sympathy with some political newspapers, who were always howling "blue ruin." He was, as a banker always should be, mildly optimistic, and whatever the course affairs, political or commercial, would take, he was certain that Canada would never fail to go ahead.

THE RESPONSIBILITY ATTACHING TO BANK OFFICERS.

The following paper was read by Mr. Charles N. Rix, cashier of the Arkansas National Bank, Hot Springs, at the last convention of the Arkansas Bankers' Association.

The responsibilities attaching to bank officers is a subject that is worthy of careful thought and study, and is as numerous in its application as it is prominent in its operation and effect upon the business presided over by the officer; far reaching in its liabilities, both legal and moral; one that is ever present o'ershadowing such officer, whether during the brightest hours of the business day or the silent shadows of the somber night.

They are probably greater in scope, more manifold, if properly observed, than most of us appreciate or realize, without he shall have given the subject more than the ordinary thought or consideration.

The farmer, the mechanic and the laboring man perform their allotted, required or necessary labors, and are released without further thought or concern until another day is ushered in. The professional man, the business man, the superintendent and the clerk, go their several and respective ways, whether it be of distress or death, of tact in sales or bargains in purchase, of watchful energy in supervision, of clerical capacity or perfunctory duties, all go free with the limit hours; free in mind to follow the bent of such pleasures as may seem to them proper, until the never ending march of time brings a new call from the distressed, or the stores, shops and factories must be opened for each succeeding day, and the watchful eye and directing mind stand guard again, as the clerk plods on in the stereotyped columns of the ledger's page. But where, in the meantime, is our bank officer? No matter where, though he be in the happy circle of family ties, the pleasures of social life, the paths of travel, or lines of literary fondness, responsibility never ends; can never be laid aside; is always present, night or day, in sleep or waking hours.

In applying this to bank officers, I of course refer to the managing officer or officers of a bank, for such there must be. It is also applicable more directly and properly to officers of our country banks, in contradistinction to those of large cities or money centers; but even the largest banks, notwithstanding their several departments are well equipped with official heads. Yet here even the managing officers—I might say president, cashier and assistant cashier—are charged with that same, ever-present responsibility of minor supervision that is little thought of by the average community.

As I have before said, this paper refers particularly to the officers of our country banks, where, as is often the case, one officer has almost entire charge and management, outside perhaps the granting of loans, which in itself is more a question of judgment than of responsibility, and need not necessarily be considered. Nor is it my purpose to treat of the broad legal and technical responsibilities that are applicable to and surround the bank officer, but rather those that are little thought of, though "mighty above all things."

First, last, and all the time, the bank officer is responsible to the depositors in his bank, not only in a legal, but eminently in a moral sense, next to the stockholders or owners. Bonds made by surety companies

on individuals for the bank officer, for honesty and integrity, cover but a small part of the actual and prominent responsibilities attaching to such officers.

Let us briefly follow the observing, careful and conservative bank officer, and note his daily movements.

As a rule he is at the bank by or before 8 o'clock in the morning, to see that the employes are at their stations and the bank in readiness for the day's business at the hour of opening. He must be there to open the safe, and in this he may be likened unto the hour hand of the clock, for he must come with equal regularity as comes the pointing hand of the time for opening. He is responsible for this being done and at the exact hour. During business hours he must be vigilant and ever mindful that human fiends are abroad, who stop not even at the extremity of taking human life; that, clothed in the garb of respectability, they come as forgers, defrauders, thieves, murderers and robbers, by day as well as by night. He must have a care that his bank is always fortified to resist, and at no time left with less than two men present, if possible, no matter if a late dinner is the result; never take unnecessary chances. He never stops calling the attention of his subordinates to this fear, and reiterating it to them, instructing them to carefully scrutinize the approach of every stranger that enters the bank. Robberies by day are always to be thought of, and kept in mind and guarded against, and for this reason he must never allow large amounts of currency to be brought from the safe, except it is to be paid out immediately, and when it accumulates during the business hours, to have it stored in the safe. For these safeguards and practices he is responsible.

He must know that the notes and bills due that day have been collected, and remittances made to owners, as promptness in these matters are what hold customers in their business lines as well as confidence. He is responsible for these proper business methods. He must see that the unpaid paper is, if necessary, protested to hold indorsers or acceptors, for if this is overlooked or neglected, his bank is liable through his negligence.

The business over, he must go out to drive or chat at the corner. Though the business of the day is over, responsibility has not ceased. He must see that the books are written up, and the cash balanced therewith, and deposited in the safe.

Finally, as he is ready to leave he must take a careful look to see if by any negligence or oversight of employes, books or papers of value are left outside that should be in the vault, and, to be doubly sure, step in the vault and see that the safe is locked and the time-lock on.

Some time a slip in this duty may come. Some time the teller or clerk may overlook this, and that is the one time that he wants to be sure to find it. He must guard and care for other persons' money and valuables with the same diligence and care he does or would with his own.

The vigilance and guarding care of the bank officer does not end here. The habits of the subordinate officers and clerks must be known. History has taught us, if experience has not, that while for years the teller or clerk has had habits and associates of the most exemplary and moral character, yet have they fallen. As the years roll on, new clerks are employed; not always those reared and known in his own community, and of such—in fact over all, old and new—he must have an ever watchful eye, a paternal as well as fraternal espionage, to the end that he may learn their associations and habits. One ounce of prevention is worth ten pounds of cure in this line. Herein lies that never-ceasing responsibility of the bank officer after bank hours in frequently making observations and using all honorable but silent means of ascertaining

the associates, habits and practices of those in his employ. He is responsible for this morally if not legally, and to a great extent for their acts, or the results that might come from bad associations or vicious habits.

Thus have we kept pace with the bank officer during the day of business, and night finds him still in the dangerous boundaries of the tentacles of the worldly, legal and moral octopus, responsibility. To be sure it is lessened by a great per cent., yet the bank officer cannot be too wary or careful, even though his bank safe be guarded by bands of chromested and time-locks. Explosions do much that steel bands and time-locks cannot resist or prevent, and decoying the bank officer from his home at night might result in aiding the robbers to accomplish their purpose of injury to the officer and disaster to his bank.

Responsibility still attaches to him in these dead hours of the night and warns him that he must not answer the call, though it may appear to be one of distress, without most careful investigation. The relation of banker to the depositor is also a responsibility of the most confidential nature; a confidence inspired by his experience, business capacity and success, or the good name his neighbor may give him. But communities, neighbors and depositors are ever on the watch, keen of scent, quick to judge, and on the slightest trespass sometimes turn wild with fright, uncontrollable in desire, and disaster is not easily averted. Who so patient of this impious world,

That he can check his spirit, or reign his tongue ?
Great and high,
The fiend knows only two, that's money and I.

The bank officer is, to great extent, the governor of the fly-wheel to the machinery of business in his community, and the pulse of the community is kept from a fever vibration by his daily acts, business care, attention and methods. What greater responsibility can be attached to any set of officers? Who among us has realized that these are the conditions existing? I trust my comparison is not strained, nor the tints too highly colored for the background of reflection or criticism.

Such I have conceived to be some of the responsibilities attaching to bank officers both in the small and large banking institutions, and though at first judgment they may appear small or trifling, such as may take care of themselves, such as may be assigned to subordinates, yet my experience of a quarter of a century has impressed me so forcibly in this direction that these practices have become almost daily with myself, and I endeavor to impress and teach them to those under me, and no year passes that I fail to find that it was well to do so. If I were so fortunate as to be at the head of the largest bank in our country I feel that I should watch as carefully all these minor acts of responsibility in person as I do now of the small bank of which I have the management, feeling that unless I did this I had not fully performed that duty I would owe to the depositors of the community, my neighbors and friends, who by their deposits manifest their confidence in and allegiance to me and to my bank.

STATE DEPOSITORIES AND THE REGULATION OF THE DEPOSIT OF PUBLIC MONEYS.

The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows :

Section 1. Any National or State banking corporation which shall be approved by a board to be known as the "Board of Deposits," consisting of the Commissioners of Public Lands and the Governor, may, upon filing bond as hereinafter provided, and upon compliance with all other requirements of law, become a State depository. The members of the Board of Deposits shall receive no additional compensation by reason of the performance of their duties upon such board. The records of the proceedings of said board shall be kept by the Secretary of State, and a duly certified copy thereof, or of any part thereof, shall be admissible in evidence in any action or proceeding in the courts of this State.

Section 2. Every such State depository, before it shall be entitled to receive any public moneys, shall file with the State Treasurer a good and sufficient bond, conditioned for the payment upon demand, to the State Treasurer or to his order free of exchange, at any place in this State designated by him, of all moneys deposited with it, and of interest thereon, at the rate fixed by said Board of Deposits, with not less than five sureties, residents and freeholders of this State, who shall together be worth, in property within this State not exempt from execution, over and above their debts and liabilities, double the amount of the penalty of said bond, and each of whom shall be worth not less than ten thousand dollars, and who shall justify such responsibility by their several affidavits; which said bond and sureties shall, before such filing, have been approved by the Board of Deposits.

Section 3. The Board of Deposits shall, from time to time, fix the rate of interest to be paid by the State depositories upon State moneys deposited with them, and cause notice thereof to be published in the official State paper. The rate of interest, until changed by the Board of Deposits, shall be two and one-half per centum per annum.

Section 4. The State Treasurer may deposit with any such State depository which has fully complied with all requirements of law, any public moneys in his hands or under his official control, not exceeding the limit prescribed by section 5 of this act; and any sums so on deposit shall be deemed to be in the State Treasury; and the State Treasurer shall not be liable for any loss thereof, resulting from failure or default of any such depository and without fault or neglect on the part of said Treasurer, his assistants or employees.

Section 5. The amount at any time on deposit with any State depository shall not exceed the actual paid-up capital of such depository, nor one-half of the penalty of the bond filed by it in accordance with section 2; nor shall it exceed the amount prescribed by the Board of Deposits, if any be prescribed.

Section 6. The Board of Deposit shall not approve the bond of any such corporation until the members of said board shall be fully satisfied, both that said bond is good and sufficient, and that such corporation is prosperous and financially sound, and has, unimpaired, the paid-up capital claimed by it. And the Board of Deposits may at any time require any State depository to furnish new or additional bond, and may at any time revoke their designation and approval of any State depository

and immediately upon such revocation such corporation shall cease to be a State depository, and the Treasurer shall immediately withdraw all public moneys therefrom.

Section 7. Every State depository shall, on the first day of each month, and oftener, when required, file with the Secretary of the State a sworn statement of the amount of public moneys deposited with it. Each State depository shall, also quarterly, within ten days after the first day of January, April, July and October of each year, make full statement of all deposits and payments of public moneys during the preceding quarter, together with a computation and statement of the interest earned thereon, computed upon the daily balance on deposit, which interest shall thereupon be added to, and become part of the deposit balance; such statement shall be accompanied by an affidavit of the president and cashier of such depository, to the effect that such statement is in all respects true and correct, and that, except for the interest therein credited, neither said depository, nor any officer, agent or employe thereof, nor any person in its behalf, has in any way whatsoever given, paid or rendered or promised to give, pay or render, to the State Treasurer or to any other person, any money, credit, service or benefit whatsoever by reason of or in consideration of the deposit with it of any portion of the public moneys. Any person who shall make any false statement in any affidavit required by this act shall be guilty of the crime of perjury. The total interest paid by all State depositories shall be apportioned by the State Treasurer among and added to and become a part of the following funds, to-wit: The general fund, the school fund, the school income fund, the university fund, the university income fund, the normal school fund, the normal school income fund, the agricultural college fund, the agricultural income fund; according to the average amount of each such fund on hand the first day of each month.

Section 8. Any person who shall give, pay or render, or promise or offer to give, pay or render to any State Treasurer or to any other person any money, credit, service, or benefit whatsoever, except as expressly authorized by law, by reason of or in consideration of the deposit, loan, or forbearance of any public moneys or funds, shall be guilty of the crime of bribery, and shall be punished by imprisonment in the State prison not more than five years nor less than one year, or by fine not exceeding one thousand dollars (\$1,000) nor less than two hundred dollars (\$200). And in any prosecution under this section, no witness shall be excused from answering any question on the ground that his answer may tend to criminate himself, or expose him to prosecution for any crime, misdemeanor or forfeiture; but no testimony so given shall be in any manner used against the person so testifying in any other criminal prosecution, except a prosecution for perjury committed in giving such testimony.

Section 9. Subdivision 2, of section 157, of the Revised Statutes of 1878, is hereby amended by inserting after the word "Treasury," in the fifth and sixth lines thereof, the words, "or State depositories," so that said subdivision, when so amended, shall read as follows: 2. "To pay out of the State Treasury, on demand, upon the warrants of the Secretary of State, all sums authorized by law to be so paid, if there be appropriate funds in the Treasury to pay the same; and when any such sum is required to be paid out of a particular fund it shall be paid out of such fund only. He shall pay no money out of the Treasury or State depositories, except in pursuance of a law authorizing the payment thereof; and he shall in no case pay any money from the Treasury, or have credit for any money paid out of the Treasury, except upon such

warrant of the Secretary of State as hereinbefore provided for; and upon each such warrant he shall take the receipt, indorsed on or annexed to such warrant of the payee therein named, or his authorized agent."

Section 10. Subdivision 7, of section 157, of the Revised Statutes of 1878, is hereby amended by inserting after the word, "fund," in the fourth line of said subdivision, the words, "and also what amounts are in each of the State depositories, together with the interest earned thereon," so that said subdivision, when so amended, shall read as follows: "7. To report to the Governor quarterly, or oftener if required, the total amount of funds in the treasury, specifying in what kinds of currency they consist, the amount of each kind, and the amount belonging to each separate fund, and also what amounts are in each of the State depositories, together with the interest earned thereon, and also all defalcations and neglect of duty of any disbursing or collecting officer or agent of the State, and any information pertaining to the duties of his office he may think proper, or the Governor shall require."

Section 11. Section 157 of the Revised Statutes of 1878 is hereby amended by adding thereto an additional subdivision, as follows: "12. To pay into the Treasury, and account for, all sums directly or indirectly received by him by virtue of his office, or as interest or compensation for the use, deposit or forbearance of any public moneys in his hands or under his control."

Section 12. Section 159 of the Revised Statutes of 1878 is hereby amended by inserting after the word "Treasury," in the fifth line thereof, the words, "or in the several State depositories," so that said section, when amended, shall read as follows: "Section 159. The Governor and Attorney-General, shall, at least once in each quarter year, and at such other times as the Governor may elect, examine and see that all the money appearing by the books of the Secretary of State and State Treasurer, as belonging to the several funds, is in the vaults of the Treasury or in the several State depositories; and in case of a deficiency shall require the Treasurer to make up such deficiency immediately, and if such Treasurer shall refuse or neglect for ten days thereafter to have the full sum belonging to said funds in the Treasury, the Attorney-General shall institute proceedings to recover the same."

Section 13. This act shall take effect and be in force from and after its passage and publication; provided, this act shall not authorize any acts on the part of the present State Treasurer, not authorized by existing laws, until he shall file with the Governor a new official bond in compliance with the requirements of law, or the written consent of all the sureties to the present bond of said Treasurer, that their liabilities shall not be discharged by any act done by such Treasurer under the provisions of this act.

MOVEMENT OF THE PRECIOUS METALS.

[CONCLUDED.]

✓ We seem now to have arrived at the discrimination of a second main cause of the movements of the precious metals, and it is a force which we see very frequently exercised. In the notice of the events of 1825 and 1839, no mention was made of alterations in the rate of discount for the purpose of arresting the drains of bullion which took place in those years; and, indeed, the efficacy of this expedient was not fully recognized until the experience of the double crisis of 1847. In that year there were great withdrawals of gold from England, and the Bank of England's discount rate was altered no fewer than thirteen times. It was found that a sharp rise in the rate had the effect of stopping the export of large sums of money that were on the point of being shipped to America, in payment of the importations of corn, which in that year were of unprecedented magnitude, and whereas (as we have seen) the stock of bullion in 1825 was reduced to a little more than one million, it did not fall in 1847 at any time below £9,200,000; and the measures then adopted were so successful, that, since that date, it has been the invariable means by which the Bank of England has been able to protect its reserve of the precious metals.

In an exposition of the circumstances affecting the movements of the precious metals, which aimed at completeness, it would be necessary to explain in detail the means by which international liabilities are settled; and indeed some account of bills of exchange and rates of exchange would have been imperative at the outset of this essay had it been deemed essential to present the discussion in a form thoroughly intelligible to the uninitiated in such matters; but since it may be assumed that this paper is likely to fall only into the hands of readers to whom these subjects are familiar, it seemed desirable to pass them by with no more than a few cursory allusions, and to devote the space which they would have occupied to a fuller investigation of the question which more particularly forms its subject matter. There is only one point relating to the mechanism of the exchanges, therefore, on which I shall make any remark. It has been stated that when the foreign trade of a country is in a condition of equilibrium, its payments and receipts will be set off against one another through the medium of bills of exchange, without the passage of any money. The actual transmission of the precious metals is also sometimes avoided, when the exports and imports are of slightly different values, if the inequality is a consequence of temporary disturbing causes, since the bills which are given for payment of the greater liabilities, being generally long dated, it may happen that the unfavorable exchanges may have altered to favorable ones, before they come to maturity. Should the causes of the disturbance be permanent, however, it is obvious that this change will not take place until the actual movement of money has had its effect upon prices, or upon the rate of discount, in one or more of the contracting countries.

Another possible modifying influence may also be mentioned at this place, namely, the use of securities instead of money for the payment of international obligations. In Part II, page 69 of the Final Report of the Gold and Silver Commission, the commissioners said, in discussing the economies which have been effected recently in the use of gold: "We believe, too, that there has been an increased use of securities for

the purpose of discharging international indebtedness, thus contributing to the settlement of accounts without the necessity for the transmission of bullion." To what extent this method is practiced I have no means of estimating, and the commissioners above quoted, in continuing the passage, affirmed that it is difficult and even impossible to form any such estimate, but to any extent to which it is adopted, it would so far exert a modifying influence on the conditions of international exchange. It is not merely that so much bullion is replaced by the same value in securities, but that the discharge of an obligation which, if accomplished in one manner, would be followed by a certain train of consequences, is performed by other means, of which the results are quite different. Thus, if England pay a debt abroad with money, the transaction may have an effect upon prices, or the rate of discount, or both, according to the circumstances which we have been occupied in examining; but if, instead of money, securities (for instance, American railway bonds) be employed, the transfer will have no effect on the volume of the currency, and consequently prices and discounts will suffer no disturbance. If it be objected that because the bonds were purchased with money originally, they virtually have the same standing, since they take the place of something that was removed from the currency, the objection has no weight, as it is clear that any disturbance on that account took place at the time of their purchase, and after that, their movement out of the country is without effect, unless they are actually exchanged for money. Payment by securities then is, so far as concerns the present subject, the same as payment by commodities.

The foregoing remarks complete the exposition of the causes and influences of the movements of the precious metals so far as the general theory is concerned, but there are two subsidiary questions which are of sufficient interest and importance to make them deserving of some separate notice. These are the modifying effect which the fact of the existence of two precious metals may have on the theory, and the manner of the distribution throughout the commercial world of the new supplies of gold and silver, which are being constantly added to the existing stock. The remainder of this essay will consequently be devoted to a survey of these topics, in their relation to the principles which have been here laid down.

In mentioning the former of these two questions in the introductory portion of my remarks, I postponed the consideration of the subject, on the ground of its not affecting the general laws with which we were to deal. It will assuredly require no lengthened argument to convince any one, after what has been said, that this is a true statement of the case; for since the chief function of the precious metals in international trade has been shown to consist in the settlement of any disturbance in the equation, it is obvious that, so long as this settlement is effected, it may be performed by gold or silver indifferently. This, however, involves the consideration of three cases, instead of the one only which we have hitherto treated. The balance may be liquidated by means of a metal which is current in the countries from which and to which it is sent, or in the former only, or in the latter only. The case in which a metal current in neither country should be transferred in settlement of an obligation, is of no effect on this portion of the theory, since being in both places simply a commodity, it can have none of the effects on prices, and hence on imports and exports, which have been described as following the transport of money. Thus if China should receive gold from India, the transaction would produce just as much effect on the international equation as the transmission of opium of equal value.

Returning now to the consideration of the three cases into which

this subject is divided, we see that the first (namely, that in which the metal transmitted is current in both countries) is the one that has been assumed throughout this essay, and it will therefore require no further notice in this place. The second and third cases may also be reduced to one, and considered together. If, then, the metal transmitted be current in only one of the countries, its going in or out will be an addition to, or subtraction from, the currency of that country, and produce its proper effect, while in the other it will cause no alteration in the volume of the currency, but will be a simple export or import, like any other commodity. For example, when silver is sent from England to India, the currency of the latter country is expanded by the amount of the consignment, that of the former, however, is not contracted, and the metal, being there valued at its market price, figures in the national balance sheet as an ordinary export of an assigned value, and produces no consequence different from that of an equal export of any other commodity. The same reasoning may be applied to the case of the movements among the metals which result from the state of the discount markets, with the obvious limitation to the first and third classes; for it is plain that since these movements are of money going, not to settle a debt, but to earn higher rates, they will only take place in a metal current in the country to which it moves.

By comparing the foregoing statement with that previously given, we shall understand the amount of modification which the introduction of the question of a double standard necessitates in the earlier account of the theory. It had there been assumed that expansion of currency and prices on the one side had been accompanied by contraction of both on the other: we now see that, while this is so in one case, there are two in which only one of these phenomena would appear. In the simple form in which, for the sake of clearness, exchanges have generally been described as taking place between two nations only, this alteration in the assumption would involve the conclusion that a given movement of the precious metals must go on for a doubly long time before producing the results supposed on the international equation; but, besides that this is simply a difference in degree and not in kind, in the greater complexity of actual affairs, it nearly always happens that a nation is trading, not with one, but with many other nations; and a sum of money sufficient to make a material alteration in the volume of the one currency would, if divided amongst a number of currencies (of not much smaller bulk), cause no appreciable disturbance. It therefore appears that the difference between the two statements is, even in this particular, of very little moment.

The principle determining which of the two metals shall be employed in any transaction for settling a balance, is a simple one; that metal is chosen which can be used to the greater advantage. This principle in one of its applications is the foundation of that Gresham Law which is appealed to with equal confidence, if not with equal reason, by bi-metalists and mono-metalists alike in support of their views, and of which the effects may be summarily stated. If both the metals be current at a fixed ratio in any country, while in some other countries only one of them is used as a standard, it will probably happen that in those latter countries the ratio at which they exchange will be different from that fixed for the bi-metallic currency. If then the country with the double standard have to liquidate in money a debt contracted in one of the countries with a single standard, it will obviously gain by paying with the metal on which the creditors set a relatively higher value. Thus if the bi-metallic ratio were $15\frac{1}{2}$ to 1, and the open market ratio 18 to 1, it is clear that by paying in gold the debtor sends away what at home is equivalent to $15\frac{1}{2}$ times its weight in silver, whereas he gets credit

in the mono-metallic country for as much as if he had sent 18 times its weight in silver, and consequently he will pay all his debts in that country in gold. By a parity of reasoning it will be apparent that the foreigner, if he becomes a debtor, will find it advantageous to pay his debt in silver, for by sending $15\frac{1}{2}$ units of this metal into the bi-metallic country he will get the same credit as by sending gold which at home he can only get for 18 units. The net result is that in these circumstances the more valuable metal will all leave the country with the double standard, and the less valuable only be sent in.

Our connection with the empire of India, so fruitful in problems for the statesman and administrator, also gives rise to certain circumstances of interest to the economist, to one of which I shall advert, as having a direct relation to the present subject, and particularly as affording an illustration of the method of settling foreign debts by the transmission of securities instead of money, to which allusion has already been made. The circumstance to which I refer is the practice of the Secretary of State for India of drawing bills upon the Government of India for the payment here of certain fixed charges on account of civil and military services rendered to the Dependency by the Imperial Government. The currency of India being on a silver basis, these bills are payable there in that metal, but they are intended for the satisfaction of an obligation which it is stipulated shall be paid for in gold. They are consequently sold in the London market for whatever gold price can be obtained for them, such price being of course determined by the value of silver, and the strength of the demand for India bills at the time. Now the placing of these bills upon the English market involves some rather curious consequences. In the first place, the peculiarities of the case make it essential that, within narrow limits, they shall be forced upon the market at any price, and, being placed there, they represent a certain purchasing power of Indian goods which must be employed, as the bills are payable in India. In ordinary international intercourse, one country pays principally with its own goods for those of another country, but in this case exports from India to England to the value of the Council bills will always be paid for in what practically is money. From this it results that, the bills being a competing remittance with silver, a smaller quantity of that metal is sent from England to India; and that either the exports of England to India are diminished, or the exports of India to England increased, beyond what they would be if no such drawings took place. The extent to which this cause operates in the production of the above consequences may be judged from the following quotation from the official returns of the net imports of silver into India, and the value of India Council drawings, during about forty years; which especially point plainly to a relation between the fluctuations of the two quantities* :

<i>Annual average during Official Years.</i>	<i>Net Imports of Silver into India.</i>	<i>Amounts received by Home Government for Bills on India.</i>
	<i>Tens of Rupees.</i>	<i>£</i>
1850—1855.....	2,384,590	3,370,269
1855—1860.....	10,072,495	992,569
1860—1865.....	9,968,028	4,721,019
1865—1870.....	9,428,981	5,487,159
1870—1875.....	3,003,082	11,364,047
1875—1880.....	7,054,199	12,886,048
1880—1885.....	6,080,527	16,026,268

* Taken from Final Report of Gold and Silver Commission, page 4.

It sometimes happens that circumstances arise which cause a flow of a particular metal into a country from other causes than those connected with the balance of trade, or the state of discount rates. An example of this was seen in Germany after the Franco-Prussian war, when the silver currency was replaced by one of gold, and the former metal was exchanged with foreign countries for the latter. As most of the silver was thrown upon the markets of countries where it was not current (especially of England), the loss of gold to those countries had its effect upon the volume of their currencies; but this of course introduces the consideration of no fresh principles, and its consequences can be followed out by the aid of what has been already said. I do not think it necessary to add further examples of these phenomena, as enough has probably been done to show that, where questions of the employment of the two metals arise, they either have no influence on the laws already explained, or are resolved in accordance with those laws.

The only subject remaining on which I propose to offer any observations is concerned with the distribution of the new productions of the precious metals, and as this has little bearing upon the matter at present under consideration, it will be needless to extend these observations to any great length. Gold and silver being the productions of certain countries, they will form part of the staple articles of export of such countries, and will, as in the case of all other commodities, be exchanged for the productions of other countries with which there is the greatest reciprocal demand. Thus the gold of Australia is exchanged for the cotton piece goods of England, and by the amount of the import the stock of the metal in England is augmented. Such part of the new metal, which comes from all quarters, as may be used for the purpose of coining, will be an addition to the currency; and this increase in its volume being followed by the train of consequences which has been so often described, there will result derangements of the international equation, and movements of money, bringing about the final distribution throughout the world in precisely the same manner as is the case with the existing stock. As a consequence of this, it would seem that, since fresh supplies are being continually added to the currencies of the world, never-ending disturbances are caused while these fresh supplies are being parceled out. This, indeed, may be so, and in the absence of counteracting causes would probably be observed as a result of the influx of fresh supplies of the precious metals to even a greater extent than in the case of the movements of the older stock. The reason of this is that all the gold and silver extracted from the mines represents a purchasing power on the part of the nations owning those mines, and would thus on exportation be required for currency purposes in the countries to which it was sent, on account of the impetus to trade which those very exports occasioned and the consequent greater employment of the circulating medium. In the case of an influx of the precious metals arising from the state of the balance of trade or rates of discounts, it may happen that the condition of business affairs is such that no additional currency is required: the newly imported money will therefore probably go wholly or in part to swell the reserves of bankers, and exhibit one of the many cases of the operation of causes which prevent the actual working out of the results of laws to which allusion has several times been made.

I have said that in the absence of counteracting causes disturbances would be constantly taking place, and we must suppose that some such disturbances are taking place even in the presence of counteracting causes, but that they must be to a very great extent counteracted will

appear after a consideration of the causes in existence capable of producing that effect. In the first place, the new additions of the precious metals are small compared with the whole bulk; secondly, part of the new product goes to replace loss from wear in the coinage, and thirdly, deduction has to be made of the quantity of the metal used in the arts. In addition, there is an influence of comparatively new creation, namely, the growing tendency of nations to hoard money, the increasing strength of which tendency is plainly manifested in the annexed table* of Dr. Soetbeer's estimates of the value of gold in the National treasuries and banks of the world.

1877.....	£ 144,500,000
1878.....	142,500,000
1879.....	175,000,000
1880.....	189,500,000
1881.....	195,000,000
1882.....	203,500,000
1883.....	230,000,000
1884.....	234,000,000
1885.....	252,000,000

Since the average annual production of gold of late years is only valued at about £20,000,000, it is seen that latterly the last mentioned item will alone account for the loss of about half the new supplies, and when we consider the absorption of that stock through the working of the other influences named, we may doubt whether the stock of gold money has increased at all for some years; at any rate we may be certain that, if there has been any increase, it is going on so slowly that no consequences resulting from this cause can be of sufficient magnitude to concern us in the present inquiry.

In bringing to a close this sketch of the main outlines of the theory of the causes which operate in producing movements of the precious metals, it may be well to cast a retrospective glance at the whole discussion, with a view to the discovery of what, in effect, is its result. The central principle which seems to be established is, that the metals are employed in international trade chiefly as a temporary means of adjusting a balance, so as to give time for the play of demand and supply to accommodate themselves to altered conditions. The essay may therefore be regarded as in some sort a commentary on the oft-quoted, but, if unelucidated, somewhat oracular sentence of Ricardo's,† that the precious metals are "distributed in such proportions amongst the different countries of the world, as to accommodate themselves to the natural traffic which would take place if no such metals existed, and the trade between countries were purely a trade of barter." The inquiry has shown that this distribution is effected mainly through prices; but it has also revealed the operation of a subsidiary principle, which, to some extent, modifies the action of the more important one, although ultimately dependent upon it. From the fact of the existence of this cause, since it operates directly upon the precious metals themselves, and influences their movements towards quarters where they are not required in the ordinary course of trade as commodities, or for the purpose of restoring the equilibrium to international values, but simply to satisfy the exigencies of a money market, we shall understand that in order to merit the title which has been bestowed upon it, of a complete summary of the facts of the case, Ricardo's statement must be amended so as to include a notice of the working of this principle. While supplying this addition, the inquiry has shown no reasonable ground for the tendency discernible in the writings of some late authors, to mag-

* Quoted in Final Report of Gold and Silver Commission, p. 12.

† Principles of Political Economy and Taxation, chapter 7.

nify the importance of the last influence, and throw doubt upon that of the first; and it is not improbable that the errors which are ascribed to explanations of the phenomena under investigation, resting upon the theory of the balance of trade, are imagined, rather than proven to be, by reason of the prejudice against that theory, which fallacious applications of its results have engendered.—*Prize Essay by Joshua Skillcock, and published in the Journal of the London Institute of Bankers.*

✓
COLLECTION.

✓
SUPREME COURT OF CALIFORNIA.

Steinhart v. National Bank.

A bank at which a note was payable received the same from another bank for collection. The note was charged to the maker, who was a depositor, and a check for the amount was inclosed in a letter to the sending bank, which was put in the post-office. By thus charging the note, the depositor's account was overdrawn, but the bank knew of its condition. He failed during the day, the letter was reclaimed, the draft was canceled, and the note was returned. In a suit by the owner, against the collecting bank he failed to recover.

This is an action to recover the sum of \$860, money alleged to have been received by the defendant to and for the use of the plaintiffs. The court below gave judgment for the defendant, from which, and from an order refusing a new trial, the plaintiffs appeal.

The facts of the case, as found by the court, are as follows:

On the 17th day of December, 1888, one G. Politz made his promissory note to the plaintiffs for \$860, payable two months after date at the bank of defendant. They delivered it to the London, Paris and American Bank of San Francisco for collection, which bank forwarded it to the defendant at Sacramento to be presented for payment, and it was received Sunday, the 17th day of February, 1889. The maker was a customer of the defendant, and on the morning of the 18th he deposited with the defendant \$400 on general account. While he was at the bank, at the time he made the deposit, a clerk of the defendant presented the note for payment. The maker wrote across the face of the note, "Please charge the same to my account. G. Politz." The clerk then wrote on the back of the note, "Charged account. Littlefield." The clerk, Littlefield, then stamped these words on the back of the note within a square, "National Bank of D. O. Mills & Co., February 18, 1889, Sacramento, Cal." The square and words were in red ink and understood to mean "canceled." The clerk then charged the amount of the note in the pass-book of the maker, and in the journal of the defendant in his account. Before the close of the business hours of the day the defendant drew its check in favor of the London, Paris and American Bank, upon the Bank of California, and after the close of business hours inclosed its check in an envelope with a letter of advice addressed to the London, Paris and American Bank. At the time of this transaction Politz had no money or other funds on deposit with the defendant. Some time previous he had made his note, payable one day after date to the defendant, to cover overdrafts, for the sum of \$3,500, which was accredited to his account. Allowing this note as a credit in account with Politz, and charging him with the amount of said check, the journal of the defendant at the close of the business hour on that day showed a nominal credit in his favor of \$367; but in fact he had overdrawn his

account in excess of his note, then overdue, and moneys deposited more than \$2,000. At the time the defendant received from Politz the note for \$3,500 to cover overdrafts he was in good credit, but in fact insolvent, and was insolvent on the 18th day of February, 1889, at the time of the transaction out of which this action arose; and about 5 o'clock of the afternoon of that day he made a general assignment under the provisions of the Civil Code for the benefit of his creditors. The defendant knew nothing of the insolvency of Politz until after the assignment was made. On the same day, and immediately after ascertaining that he had made an assignment, the defendant procured the envelope from the post-office containing the check and canceled it, and immediately indorsed on the back of the note these words: "Charged in error. F. Miller, Cashier." "Canceled in error. F. Miller, Cashier." And immediately, on the same evening, returned the note by mail, with letter of advice as to what had been done, to the London, Paris and American Bank of San Francisco. There were no indorsers on the note due plaintiffs. Neither the plaintiffs nor the London, Paris and American Bank knew or had any notice of the transaction between the defendant and Politz, or of the drawing of the draft by the defendant, until after the check had been canceled and the defendant had declined to advance the money to pay the note. The defendant did not receive any money or other valuable thing from Politz to or for the use of the plaintiffs, and they have lost no rights by the acts of the defendants.

Upon these facts, the principal question presented for decision is, did the transaction between Politz and the defendant constitute a payment of the note? The appellants contend that it did, and that the finding that "the defendant did not receive any money or other valuable thing from Politz to or for the use of the plaintiffs, and they have lost no rights by the acts of the defendant," was not justified by the evidence.

The above is the only finding objected to, and we do not think the contention in regard to it can be sustained.

It is not disputed that when the note was presented to Politz for payment, and he wrote on it, "Please charge the same to my account," he had no money in the bank to his credit, but was indebted to it in a considerable sum. The request was, therefore, in effect, that the defendant advance or loan to him the money to make the payment, and trust him till he could pay it back. This the defendant, supposing him at the time to be of good credit, seems to have been willing to do, but when, near the close of the business day, it learned that he had made an assignment for the benefit of his creditors, and was insolvent, it changed its mind and concluded not to advance the money. It thereupon got back its check and canceled it.

At this stage the transaction was unknown to the plaintiffs and was incomplete, and as against Politz the defendant had a clear right, we think, to do as it did.

And if it be assumed, as claimed by appellants, that the transaction amounted to a contract on the part of defendant to advance the money to pay the note, still it had a right to rescind the contract if its consent thereto was given by mistake (Sec. 1,689, C. C.), and that it was so given is shown by the evidence and findings.

As against the plaintiffs, the test as to whether the note was paid or not is, could they afterwards have maintained an action upon it against Politz, the maker? It is settled law in this State that when a creditor takes a note or check for an antecedent debt, it does not operate to extinguish the debt, unless it is received by express agreement as payment. (*Griffith v. Grogan*, 12 Cal. 317; *Welch v. Allington*, 23 Cal. 322; *Brown v. Olmstead*, 50 Cal. 162; *National Bank v. McDonald*, 51

Cal. 64; *Comptoir d'Escompte v. Dresbach*, 78 Cal. 15.) If then the check of the defendant had been forwarded to and actually received by the plaintiffs, it would not, until collected, have paid their note and released the maker from liability thereon. And the fact that the note was mutilated and marked "canceled" did not affect the plaintiff's right to sue upon it, since this matter could all be explained and accounted for. (Sec. 1,982, C. C. P.)

In our opinion, therefore, the note was not paid, and the finding objected to was justified and proper.

The appellants also make the point that the court erred in the admission of evidence. Politz was called as a witness for defendant and testified that he made an assignment on the 18th day of February, 1889. He was then asked by counsel for defendant: "How long were you preparing or having that assignment prepared?" The question was objected to as irrelevant and immaterial, the objection was overruled and an exception taken. The witness answered: "It took my lawyer about half an hour to write it. I went to him about four o'clock. I had a consultation with my legal adviser about my affairs before that. I think it was the same morning." The witness then went on to say that his consultation in the morning was not about making an assignment, and that he then thought he was able to pay all his debts in the ordinary course of business.

We are unable to see that there was any error in the ruling complained of, and if there was, that the appellants were in any way prejudiced thereby.

We think the judgment and order should be affirmed, and so advise. Belcher, C.

We concur: Vanclief, C., Foote, C.

The court: For the reasons given in the foregoing opinion the judgment and order are affirmed.

CERTIFICATE OF DEPOSIT—PAYMENT ON FORGED INDORSEMENT.

SUPREME COURT OF OREGON.

Fiore v. Ladd.

In an action to recover money which F., the plaintiff, claimed to have deposited with defendants, he testified that he delivered the money to defendants' teller on three months' deposit; that the teller received the money and delivered to plaintiff the certificate of deposit, and requested him to write his name in the signature book; but that he could not write, and offered to make his mark in the book, whereupon A., who accompanied plaintiff, said he would write plaintiff's name, and that the teller allowed A. to sign the name; that afterwards A., through fraud, obtained the certificate, forged plaintiff's name thereon, and presented the same, and received the money from defendants. The teller testified that A. and plaintiff were unknown to him; that A. had possession of the money and delivered it to the teller, saying he wanted to deposit it for three months, and gave his name as F., and wrote his name in the book, and that the certificate was delivered to A.; that plaintiff was standing close by, and said nothing to indicate that he had any interest in the money. Held that, if the jury found the facts to be as testified to by the teller, the plaintiff could not recover.

Where it appeared from the evidence for defendants that shortly after A. and plaintiff left the bank A. came back, and stated that he had found a place for the money, and requested the payment of the certificate, which he presented with the name as written in the signature book, and it was paid, it was error to refuse to instruct that, if the jury believed such evidence, plaintiff could not recover.

It appeared that it was the general custom of banks, where a person unknown to a bank brought money for deposit, gave a name as his own, and asked for a certificate, there being no suspicious circumstances, to issue to him such certificate in the name given, on his signing the signature book, if he could write, without further inquiry, and pay the money on return of the certificate indorsed with the name written in the signature book; but that, where the depositor could not write his name, it was the custom to ask questions, the answers to which were entered in the signature book as a means of identification. *Held*, that it was error to refuse to instruct the jury that, if they found the custom so to be, such action on the part of defendants' bank was not negligence.

BEAN, J.—This is an action to recover \$800 on a certificate of deposit issued by defendants, as bankers, on the 13th day of April, 1891, in the name of Saverio Fiore, which defendants afterwards paid and canceled, as plaintiff claims, wrongfully. Judgment for plaintiff. Defendants appeal. The facts are these: On April 13, 1891, plaintiff, who is an Italian, and can neither read nor write, and only speak the English language with difficulty, having on deposit with the Portland Savings Bank the sum of \$800, was advised by a fellow-countryman, named Antone, to withdraw his money from this bank and deposit it with defendants. Acting upon this advice, the money was withdrawn from the Portland Savings Bank, and plaintiff, accompanied by Antone, went into the bank of defendants for the purpose of depositing the money, where it was placed on deposit. As to who had possession of and delivered the money to the teller of defendants, and what transpired at the time, there is a direct conflict in the testimony between the plaintiff and the teller, who are the only witnesses testifying on that subject. The plaintiff says that he took the money, which was tied up in a handkerchief, from his pocket, and delivered it to the teller, saying he wanted to place it on deposit for three months; that the teller received the money from and delivered to him the certificate of deposit described in the complaint, and requested him to write his name in the signature book for identification, but he informed the teller he could not write, and offered to make his mark in the book. Antone, who was present, then spoke up, and said: "I will write his name," and the teller allowed him to write the name "Saverio Fiore" in the signature book. He did not know the use of the signature book, or that Antone wrote the name "Saverio Fiore" as and for his signature. Afterwards, Antone, through fraud, obtained the certificate, forged his name thereon, presented and received payment thereof. The teller testified that, on the day named, the man the plaintiff calls Antone and plaintiff, both of whom were entire strangers to him, came to the bank together. Antone had possession of and delivered to him the money, saying he wanted to deposit it for three months, and giving his name as Saverio Fiore, and wrote this name in the signature book, which is used as a means of identifying depositors. The certificate of deposit described in the complaint was thereupon issued and delivered to Antone, and the two men left the bank together. Two or three hours afterwards, Antone, with whom he had all the dealings, and whom he supposed owned the money, returned, saying he had found a place where he could invest the money to a better advantage, and requested payment of the certificate, which he presented, indorsed with the name as written in the signature book, and it was thereupon paid and canceled; that during all his transactions with Antone, concerning the deposit of the money and issuance and delivery of the certificate, plaintiff was standing close by, and did or said nothing to indicate that he had any interest or ownership in the money. At the time of the deposit of the money, and payment of the certificate, the teller supposed and believed that the money belonged to the person making

the deposit, and that his name was Saverio Fiore, as he represented, and did not know otherwise until long after the certificate had been paid. It is also in evidence, and about which there is no dispute, that it is the general custom of banks in the city of Portland, where a person unknown to the bank brings money for deposit, gives a name as his own, and asks for a certificate of deposit, there being no suspicious circumstances, to issue to him such certificate in the name given, upon his signing the signature book, if he can write, without further inquiry, and to pay the money upon the return of the certificate indorsed with the name as written in the signature book. But where the depositor cannot write, it is the custom to ask certain questions, the answers to which are entered in the signature book as a means of identification.

The errors relied on here are in the giving and refusal of certain instructions by the trial court. The defendants requested the court to instruct the jury, among other things, as follows: "(1) If the jury find from the evidence that the money was delivered to the receiving teller by a person other than the plaintiff, and that he deposited the same and signed the signature book, and thereafter returned the certificate of deposit properly indorsed, and received the money therefor, and the bank or the paying teller had no reason to believe that he was not the owner thereof, the plaintiff cannot recover. (2) If you find from the evidence that it is a general banking custom, or a custom among the banks of the city of Portland, where a person brings money to a bank and asks for a certificate of deposit, and signs the signature book with a name which is not his own, and which the bank has no reason to believe is not his genuine name, to cash such certificate upon return thereof, with the proper indorsement thereon, without further inquiry, and that such were the facts in this case, such action on the part of the bank does not constitute negligence on its part. (3) If you find from the evidence that the plaintiff came into the bank with a third person, in this case, and stood by while the third person deposited the money, signed the signature book, and received the certificate of deposit, without protest or objection on his part, and that the teller of said bank did not know or had no reason to believe that plaintiff was interested therein, and defendants thereafter repaid the amount of such certificate to such third person, and upon the return of such certificate by him properly indorsed, plaintiff is estopped in this case and cannot recover." Each of these instructions being refused, an exception was duly noted, and the rulings of the court thereon are now assigned as error.

These instructions were designed to state the law as applicable to the facts as contended for by the defendants, and we think should have been given. If, as defendants claim, the money in dispute was deposited in the bank by Antone, who represented his name to be Saverio Fiore, which the bank supposed to be true, and the certificate of deposit was issued and delivered to him, intending thereby to make it payable to the person to whom delivered, and that he wrote the name "Saverio Fiore" in the signature book of the bank as and for his genuine signature, and afterwards, upon return of the certificate indorsed with the name appearing in the signature book, the money was paid to him, without any knowledge that it belonged to some other person, it seems to us clear, in view of the banking custom in such cases, defendants are not liable to plaintiff in this action, although in fact the money may have belonged to him. Their contract was with the person with whom they dealt, and who deposited the money under the name by which he was known at the time, and their obligation was to repay the money to him on his order, upon the return of the certificate properly indorsed. They contracted with him under the name of Saverio Fiore, believing

that to be his true name, issued and delivered to him the certificate of deposit in such name, thereby intending to make it payable to the person to whom it was delivered; and, although they may have been mistaken in the name of the man, the person with whom they dealt was the person intended by them as the payee of the certificate, designated by the name by which he was known in the transaction, and when he returned the certificate indorsed with the signature appearing in the signature book, and it was paid without knowledge of the claim of any other person, and under the belief that the money belonged to him, their contract was complied with. If Antone had possession of the money, deposited it in the bank, and dealt with it as his own, the bank had a right to assume without further inquiry, unless there was something in the transaction itself to arouse suspicion, that the money belonged to him, and that he was dealing in his true name, and their contract, if the facts are as they claim, was to pay the money to him or his order; and this they have done, and ought not now to be required to pay it again to a person with whom they had no dealings, and who was in no way connected with the transaction. (*Robertson v. Coleman*, 141 Mass. 231, 4 N. E. Rep. 619; *Bank v. Shotwell*, 35 Kan. 360; 11 Pac. Rep. 141; *United States v. Exchange Bank*, 45 Fed. Rep. 163.)

It is argued, however, that because the certificate of deposit was in terms made payable to Saverio Fiore, the defendants were bound at their peril to see that it was paid to no other person, and it is immaterial from whom they received the money, and this, we suppose, was the view entertained by the court below, judging from the entire charge to the jury. This would probably be so, if the contract had been between the defendants and Saverio Fiore, or had it been intended to make the certificate payable to him; but here, if defendants' contention is true, the contract was with the person with whom they dealt, and to whom the certificate was issued and delivered, known in the transaction as Saverio Fiore, and with no other person, nor was it intended the certificate should be paid to any other person, unless by the order of the person dealing with the bank. The obligation of the bank was to pay the money on the order of the person from whom it was received, and with whom the contract was made, under the name by which he was known at the time. While a bank may be bound at its peril to see that the money of a depositor is only paid to himself or order, it may safely assume without further inquiry, in the absence of suspicious circumstances, that the name by which the depositor, if a stranger, is known in the transaction is his true name. The question in this case is, with whom did the bank deal, and who was intended as the payee of the certificate? The name is only one means of determining that fact. The name used in the transaction is only one means of identifying the person, and is often not the safest and best. As was said in *Robertson v. Coleman*, *supra*: "The name of a person is the verbal designation by which he is known, but the visible presence of the person affords surer means of identifying him than his name." This is not a case where a person known to the bank represented a third person, but, according to defendants' contention, is one in which the bank was dealing with a person under the assumption, justified by the circumstances of the transaction, that he had given his true name, and was the owner of the money, and entitled to deposit and draw it, and this question ought to have been put to the jury.

There is yet another reason why it seems to us this question should have been submitted to the jury. If, as defendants contend, the money was in the possession of Antone, and by him deposited in the bank, it was with the knowledge and consent of plaintiff, who was present at

the time, and who thereby either negligently or intentionally placed Antone in a position to perpetrate a fraud upon the bank, and in such case the loss should fall upon the one who has been the occasion of it. Allowing that plaintiff intended no wrong by suffering Antone to deal with the money as his own, and that neither he nor the bank was in fault in the matter, the loss should fall upon him, because by his act he facilitated the fraud. (*Stout v. Benoist*, 39 Mo. 281.) In the language of Lord Mansfield in *Price v. Neal*, 3 Burrows 1,355: "It is a misfortune which has happened without the defendant's fault or neglect. If there was no neglect in the plaintiff, yet there is no reason to throw off the loss from one innocent man upon another innocent man. But in this case, if there was any fault or negligence of any one, it certainly was in the plaintiff, and not in the defendant." That portion of the instruction of the court, that the man who controlled the money, whether he was accompanied by other persons or not when he went into the bank, and who negotiated with and delivered the money to the teller, might properly be deemed by the bank the owner of the money, and if the bank people, notwithstanding this fact, accepted and acted upon the statements of Antone, it was a question for the jury whether in so doing they exercised reasonable diligence, was, we think, when viewed in the light of the entire charge and plaintiff's testimony, a presentation of the case as made by plaintiff, and no error of which defendants can complain. If plaintiff was in possession of the money, and delivered it to the teller for deposit, and the teller allowed Antone to write plaintiff's name in the signature book, as and for his signature, it was, perhaps, a question for the jury whether the teller exercised reasonable care and diligence in so doing, although from the evidence in this case it would seem there is but little room for controversy on that question.

At the argument we were urged to affirm the judgment in this case for informality in the bill of exceptions, in stating all the evidence given on the trial, as extended from the stenographer's notes, in place of only so much thereof as is necessary to explain the exceptions taken, but as the errors relied on are in the giving and refusal of certain instructions, which are so stated in the bill of exceptions as to be easily understood, we do not feel justified in refusing to examine them, but cannot refrain from condemning the practice, which seems to be frequently adopted, of making a part of the bill of exceptions all the evidence given on the trial, when no questions are presented for review calling for an examination of the evidence. This practice is in disregard of the plain provisions of the statute (Code, § 232), as well as all rules governing the preparation of bills of exceptions (*State v. Drake*, 11 Or. 396, 4 Pac. Rep. 1,204; *Janeway v. Holston*, 19 Or. 97, 23 Pac. Rep. 850), is unnecessarily expensive to litigants, and imposes the arduous task upon this court of examining a vast amount of irrelevant and immaterial matter. The bill of exceptions in this case contains of evidence over sixty typewritten pages, while the facts upon which the questions sought to be reviewed are founded could have been more clearly and intelligently stated on two or three. Such a practice ought not to be encouraged, and, in taxing costs in this court, the clerk will be directed not to allow anything on account of the evidence contained in the bill of exceptions. Judgment reversed, and new trial ordered.—*Pacific Reporter*.

✓
DEPOSITS.

COURT OF APPEALS OF NEW YORK.

Wheatland v. Pryor.

Where plaintiff deposits to his credit with a trust company a draft drawn on a partner in his individual capacity, he is not liable for a misappropriation of partnership funds by a payment of the draft with the firm's check

EARL, C. J.—Between October, 1887, and July, 1889, the plaintiff was a broker in Boston, and the defendants were a firm of brokers doing business in the city of New York, and during that time the plaintiff and defendants had numerous and extensive dealings with each other. The plaintiff drew numerous drafts upon the defendants, and they drew numerous drafts upon him. The firm of the defendants was dissolved in the latter part of June, 1889, and the business dealings between the parties then ceased. The plaintiff thereafter, in July, commenced this action, claiming that upon the dealings between them there was the sum of \$11,000 due to him from the defendants. They, in their answer, denied that they were indebted to him, but, on the contrary, claimed that there was a small balance due to them. The action, being at issue, was referred, and the referee found the sum of \$9,537.63, besides interest, due the plaintiff. There is no dispute that the sum found by the referee in favor of the plaintiff was due to him, either from the defendants as a firm or from the defendant Pryor individually. Upon the trial the plaintiff claimed, and gave evidence tending to show, that that sum was due to him from the firm. The defendants, on the contrary, claimed, and gave evidence tending to show, that it was due from Pryor individually. The indebtedness found by the referee was created by drafts drawn by the defendants in their firm name upon him, and paid by him. It was the contention of the defendants upon the trial that, although these drafts were in form the drafts of the firm, they were caused to be drawn by the defendant Pryor in pursuance of an arrangement between him and the plaintiff to effect a loan by the plaintiff to him individually, and that the money obtained upon the drafts was a loan to him individually. The evidence as to these drafts, and the purpose for which they were drawn, was conflicting, and upon the conflicting evidence the referee found that the money was advanced and loaned by means of these drafts to the firm, and that the firm became indebted to him. The findings of the referee, having been affirmed at the General Term, are conclusive upon us.

Our attention is called to several exceptions taken during the progress of the trial in the reception and exclusion of evidence. We have given them careful consideration, and do not believe that any of them point out error prejudicial to the defendants. There is one item, however, in controversy between the parties to which we will give particular attention. On the 28th day of May, 1889, the defendant Pryor, in his individual name, drew a draft upon the plaintiff for \$1,700, which the plaintiff paid as a loan to him individually. On the 11th day of June thereafter, for the purpose of procuring repayment of the loan thus made, the plaintiff drew upon Pryor individually a draft for \$1,700, payable on demand to the order of himself. That draft he indorsed, and took to the International Trust Company of Boston, and there deposited it to his credit; and the Trust Company indorsed it, and sent it for deposit to its credit to the National Bank of the Republic of New York;

and the Bank of the Republic, on the 12th day of June, presented the draft for payment at the defendants' office, where it was made payable, and there it received a check in the following form: "New York, June 12th, 1889. Seaboard National Bank, pay to the order of George B. Rumrill or ourselves seventeen hundred dollars. \$1,700. S. MORRIS PRYOR & Co." Indorsed upon the check were these words: "Pay to the order of the Bank of the Republic. GEORGE B. RUMRILL." The Bank of the Republic then surrendered the draft drawn by the plaintiff, and subsequently obtained payment of the check. The claim of the defendants is that the Bank of the Republic, in presenting the draft and receiving payment thereof, acted as the agent of the plaintiff; that when it took the firm check, and drew the money thereon, it had notice that the firm property was appropriated to pay the individual debt of Pryor; that that notice was imputable to the plaintiff, and therefore that the funds of the firm were appropriated, to the knowledge of the plaintiff, to pay the individual debt of Pryor to himself; that he thus became obligated to refund that money to the firm; and that the defendants should therefore have had credit for that amount. To sustain their contention, the defendants' counsel cite the following, among other, authorities: *Dob v. Halsey*, 16 Johns. 38; *Elliott v. Dudley*, 19 Barb. 329; *Bank v. Savery*, 82 N. Y. 299; *Bank v. Underhill*, 102 N. Y. 336, 7 N. E. Rep. 293; *Rogers v. Batchelor*, 12 Pet. 229; *Moriarty v. Bailey*, 46 Conn. 592; *Kendall v. Wood*, L. R. 6 Exch. 243. We do not think any of these authorities are applicable to this case. As we understand the evidencé, the Boston bank took this draft from the plaintiff, and gave him credit therefor in its account with him, and thus it became the owner of the draft, and thereafter it dealt with it as the owner thereof upon its own account. The plaintiff received the amount of the draft drawn by himself upon Pryor individually, not from the firm, but from the Trust Company to which he delivered it; and thus he became under no obligation whatever to the defendants on account of the transaction. For this conclusion, if any authority were needed, the case of *Moriarty v. Bailey*, *supra*, is precisely in point. In that case, there was the firm of Moriarty & Bailey, and Moriarty made his individual note, payable to A. or order, and A. had it discounted upon his indorsement at a bank, and Moriarty paid it to the bank, when due, out of partnership funds; and it was held that A. was not chargeable with the partnership funds thus used, although he was an indorser of the note, and interested in the payment; the money having been received by the bank and not by him. Here, after the plaintiff transferred this draft to the Boston Trust Company, he could be made liable thereon only by such proceedings as would charge him as a drawer and indorser thereof. But, further, if we assume that the plaintiff employed the Boston Trust Company to collect the draft on Pryor, and that the Trust Company thus became his agent for that purpose, then the Bank of the Republic became the agent of the Trust Company, and not of the plaintiff. (*Allen v. Bank*, 22 Wend. 215; *Commercial Bank of Pennsylvania v. Union Bank of New York*, 11 N. Y. 203; *Ayrault v. Bank*, 47 N. Y. 570.) The Bank of the Republic did not become responsible to the plaintiff, and the plaintiff could not in any way control or direct its conduct in the discharge of the duty which it had assumed to the Trust Company. Therefore, if, upon the facts assumed, it knew that the draft drawn by Pryor individually was paid with firm funds, while that knowledge could be attributed to its principal, the Trust Company, it could not be attributed to the plaintiff, who was not its principal. The reason for the rule which imputes knowledge of an agent to his principal is thus stated in Story, Ag. § 140: "Upon general principles of public policy it is presumed that the agent has

communicated such facts to the principal, and if he has not, still, the principal having intrusted the agent with the particular business, the other party has a right to deem his knowledge and acts obligatory upon the principal; otherwise the neglect of the agent, whether designed or undesigned, might operate most injuriously to the rights of such party." Now, within the reason of this rule, could the constructive or imputed notice of the Boston Trust Company—it having no actual notice—be imputed to the plaintiff? There can be no presumption that it communicated to the plaintiff knowledge which it did not have; and in omitting to communicate to the plaintiff knowledge which it did not have, it was guilty of no wrong and no neglect of duty. The rule of constructive notice to a principal can have no operation whatever in a case where the agent himself has not received actual notice. There are undoubtedly cases where an agent is authorized by his principal to employ sub-agents, and where the nature of the business intrusted to the agent is such that it must be assumed he was authorized to employ sub-agents for the principal; and in such cases it is frequently true that both the agents and the sub-agents are the representatives of the principal, and the knowledge which either of them acquired in the business may be imputed to the principal. But here it is settled upon abundant authority that the agent employed by the Boston Trust Company to collect this draft had no relation whatever to the plaintiff, and owed a duty, not to the plaintiff, but solely to the Trust Company. So, in any view of this case, the knowledge acquired by the Bank of the Republic when it received the firm check in payment of the draft upon Pryor individually cannot be imputed to the plaintiff. The plaintiff, in the end, in some form received his money from the Boston Trust Company in good faith, without notice, and he cannot be made to account for it to the defendants. (*Stephens v. Board*, 79 N. Y. 183.) The judgment should be affirmed, with costs. All concur.—*Northeastern Reporter*.

LEGAL MISCELLANY.

CORPORATIONS—DIRECTORS' MEETINGS.—There being no provision in the statutes or in the by-laws and articles of a business corporation for other than personal notice to the members of its board of directors of any meeting of such board, none other would constitute a legal notice; Mansf. Dig. § 5,206, providing for notice by leaving a copy thereof at the usual place of abode of the person to be served, not applying to notices to directors of business corporations. [*Bank of Little Rock v. McCarthy*, Ark.]

NATIONAL BANKS—MARRIED WOMEN AS SHAREHOLDERS.—Married women, who are permitted by the laws of the State in which they reside to become shareholders in National banks, are liable to assessments thereon under the National banking laws. [*In re First Nat. Bank of St. Albans*, U. S. C. C., Vt.]

NATIONAL BANKS—STATE SOVEREIGNTY.—A National bank, or any other corporation which Congress, in the exercise of its legal powers, may authorize to be organized and operated, must be allowed to pursue the business and purpose of its organization, and exercise all the powers necessary or incident to such business without any restraint by or accountability to State laws; but, in the absence of other expression by Congress, this is the extent of its exemption from subjection to State legislation. [*State v. First Nat. Bank of Clark*, S. Dak.]

NEGOTIABLE INSTRUMENTS—ACTION BY ASSIGNOR.—Where a complaint in an action on certain notes against the makers thereof states that plaintiff assigned the notes to a bank as security for money, and that the bank refused, and still refuses, to bring suit thereon, and asks judgment against defendants, etc., it shows on its face that plaintiff has no ground of action against defendants. [*Davis v. Erickson*, Wash.]

NEGOTIABLE INSTRUMENT—BILL OF EXCHANGE.—In an action on a bill of exchange accepted by defendants, and transferred to plaintiff in good faith, before maturity, it was not error to enter judgment for the face of the instrument, with interest from its maturity, though plaintiff purchased it at a discount. [*Petri v. First Nat. Bank of Fon du Lac*, Tex.]

NEGOTIABLE INSTRUMENT—BURDEN OF PROOF.—In an action against the indorser of a negotiable note, while it is *prima facie* sufficient to entitle plaintiff to recover, there being no denial of the signature, to produce the note in evidence, and prove demand, protest, and notice to the indorser, yet, where the defendant introduces evidence that the note was fraudulently obtained or put in circulation, it is incumbent on plaintiff to prove that he is a *bona fide* holder for value without notice. [*Hazard v. Spencer*, R. I.]

NEGOTIABLE INSTRUMENTS—DISCHARGE.—The acceptance by the payee of a matured note of part of the principal, and delivery of the note to the maker with an intention to transfer the title thereto, extinguishes the note, and discharges the remainder of the debt. [*Slade v. Mutrie*, Mass.]

NEGOTIABLE INSTRUMENT—PAYMENT—SET-OFF.—Matters of account in favor of the maker of a promissory note, and which might be set off against it, do not constitute payment of the note; otherwise, if there is an agreement, express or implied, that they shall be applied in payment. [*Rugland v. Thompson*, Minn.]

BANKS—SEMI-ANNUAL STATEMENTS.—Under Gen. St. § 278, providing that if any banking association neglects to make a semi-annual statement, within a certain time, of the condition of the bank to the State Treasurer, "the directors shall be personally liable for all debts of said association, contracted previous to and during the period of such neglect," the liability of the directors is primarily and directly imposed on failure to comply with the law, and may be enforced regardless of any proceeding against the corporation. [*Larsen v. James*, Colo.]

NEGOTIABLE INSTRUMENTS—FORGERY.—Where the defenses to an action on a note were that it was a forgery, and that plaintiff was not a *bona fide* holder, it was error to enter judgment for defendant on a general verdict in his favor when the jury failed to agree upon a special issue submitted to them as to the genuineness of the note. [*Tourtellotte v. Brown*, Colo.]

NEGOTIABLE INSTRUMENT—OFFICER OF CORPORATION.—Where nothing appears in the body of a note to indicate who is the maker, and it is signed by a person who affixes to his name an official title as officer of a corporation, the note is *prima facie* that of the person so signing; but it is so far ambiguous in respect to the question whether the officer or the corporation is the maker that parol testimony is admissible to settle it. If, however, the note is signed by the corporate name, followed by the name of a corporation officer, who affixes to his name his official title, such note is conclusively taken to be corporation paper. [*Reeve v. First Nat. Bank of Glassboro*, N. J.]

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CAL....Oakland....	Union Nat. Bank.	MICH....Detroit....	Peninsular Nat. B'k.
COL....Durango....	First Nat. Bank.	PA.....McKeesport.	First Nat. Bank.
GA.....Savannah..	Merchants Nat. B'k.	".....Phila.....	Phila. Nat. Bank.
MASS....Lowell....	Traders Nat. Bank.	TENN...Memphis...	Memphis Nat. Bank.
".....Peabody....	S. Danvers Nat. B'k.	VA.....Newsp. News.	First Nat. Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following :

R. I....Woonsocket. Woonsocket Nat. B'k. | VT....White Riv. J. Nat. B'k of W. R. J.

BANKS WHICH ARE INCREASING THEIR CAPITAL.—

MINN...Windom....Bank of Windom, from \$25,000 to \$65,000.

N. H....Manchester. National Bank of Commonwealth, from \$100,000 to \$200,000.

SOME RECENT BANK DIVIDENDS.—

<i>Location.</i>	<i>Name.</i>	<i>Semi-Annual.</i>
NEW YORK CITY.	Bank of New York, N. B. A.	5 per cent.
"	Central National Bank.....	3½ "
"	Continental National Bank.....	3 "
"	Fourth National Bank.....	3½ "
"	Hanover National Bank.....	3½ "
"	Importers and Traders National Bank.....	10 "
"	Irving National Bank.....	4 "
"	Market and Fulton National Bank.....	4 "
"	Mechanics National Bank.....	4 "
"	Mercantile National Bank.....	3 "
"	Merchants Exchange National Bank.....	3 "
"	National Bank of the Republic.....	4 "
"	National Broadway Bank.....	8 "
"	National Butchers and Drovers Bank.....	4 "
"	National Citizens Bank.....	3½ "
"	National Park Bank.....	5 "
"	National Shoe and Leather Bank.....	4 "
"	Seaboard National Bank.....	3 "
"	Southern National Bank.....	3 "
"	Tradesmens National Bank.....	2 "
"	Bank of America.....	4 "
"	Bowery Bank.....	6 "
"	Eleventh Ward Bank.....	4 "
"	Mechanics and Traders Bank.....	4 "
"	Mount Morris Bank.....	3 "
"	Murray Hill Bank.....	4 " quar.
"	Nineteenth Ward Bank.....	3 "
"	Oriental Bank.....	5 "
"	Citizens Savings Bank.....	3½ "
"	Metropolitan Savings Bank.....	3½ "
"	North River Savings Bank.....	3½ "

BANK DEFAULTERS IN CHINA.—In China when a bank fails all the clerks and managers have their heads chopped off and thrown in a heap along with the books

of the firm. For the past 500 years not a single Chinese bank has suspended its payments.

A MUSICAL CASHIER.—One of Detroit's bank presidents is a humorist of the great American brand. One day recently his cashier's brother was talking to him about some music for the church choir. "Ask your brother about it," suggested the president. "Pshaw, he doesn't know one note from another." "Doesn't he?" smiled the humorist, "Well, you try to discount one on him that isn't gilt-edged, and see if he doesn't."—*Detroit Free Press*.

EASTERN STATES.

HARTFORD, CONN.—The new savings bank building on Pratt street marks an advance on a new line in Hartford architecture. Its blonde front is in striking contrast to the brunettes in stone and brick that adorn the city streets. There seems to be no objection to light colored work, because Hartford has no burden of soft coal soot to fill the air and stain the buildings. I suppose we have had dark and gray work because those stones are plenty and accessible in this part of the country. But in all of the large cities the cream-colored work in brick with pale stone trimmings has become popular. It will probably grow to be even more so here, where hard coal is the prevailing fuel.—*Hartford Post*.

BIRMINGHAM, CONN.—The Manufacturers' Bank, organized under the State system, September 14, 1848, began business December 14, in the same year, in the building now occupied by H. G. Bassett's box shop, which then stood on the corner of Factory and Main streets. January 1st, 1850, it moved to the new building erected for it, now occupied by Schmidt's saloon, but on March 13, 1857, it was voted, in consequence of the freshets, to change the location of the bank. March 20, 1857, it was voted to buy the present property, 60x110 feet. This includes the house that is now the property of George C. Allis. On Feb. 21, 1865, it became the Birmingham National Bank after accepting the laws governing National banks. The original directors were: E. N. Shelton, John I. Howe, Fitch Smith, Sidney A. Downs, Thomas Burlock, William Guthrie, Lewis Downs, Hezekiah S. Nichols, Edward Lewis. Mr. Shelton was elected president and has been the president ever since, save one year, while in Europe. He is now the oldest bank president in service in the State. James M. Lewis was the first cashier. Joseph Arnold was elected cashier June 22, 1853, and remained until his death, Jan. 11, 1884. Charles E. Clark, the present cashier, was then elected to the position. He has been connected with the bank since February, 1856.

The Derby Savings Bank was incorporated in May, 1846, and the only incorporators now living are David W. Plumb, Edward W. Shelton, Fitch Smith, George Kellogg (father of Clara Louise), and George Blakeman. The bank was incorporated under the name and title of the Derby Society for Savings, and later on, by authority of the General Assembly, to its present title, the Derby Savings Bank. John I. Howe and Edward N. Shelton were authorized to call the first meeting of the incorporators, which was done in the month of June, 1846, in the basement of the Episcopal Church, then the only room of sufficient size for public gatherings, and frequently used for such purposes. The first president chosen was John I. Howe, Edward N. Shelton, vice-president; Joseph P. Canfield, treasurer and secretary. In June, 1850, S. A. Downes was elected president. In June, 1853, Fitch Smith was elected president. June, 1857, Dr. Ambrose Beardsley was elected president. June, 1860, Robert N. Bassett was elected president, and T. G. Birdseye, treasurer and secretary. In June, 1865, W. E. Downes was elected president. In 1868 Joseph Arnold was elected president, and continued as such until his death, when W. E. Downes, the present incumbent of that office, was again elected president. T. G. Birdseye, as treasurer and secretary, remained so until his death in 1870, when Thomas S. Birdseye was elected as his successor, and has been continued as such. The bank paid its first dividend at the rate of 5 per cent. from July 1, 1847, to January 1, 1848, and never has paid less than 5 per cent. until the present time, and paid for many years at the rate of 7 per cent. per annum. The bank moved into its present quarters upon the completion of the building in 1857.—*Ansonia Sentinel*.

BOSTON—A number of the National banks have issued circulars reducing the

interest rates on deposits. The National Bank of Redemption, in consequence of the low money rates and the prospects of a continuance of these conditions, will allow only 2 per cent. on daily balances. The Massachusetts Loan and Trust Company has also issued notices reducing interest rates from 3 to 2½ per cent.

NEW YORK.—Fifty-two out of the 128 savings banks in the State have conferred with reference to forming a sort of State society to protect themselves in legislative matters. A permanent managing committee of twenty-six was provided for, and next May a general gathering of presidents will again be held. Speeches were made by A. E. Orr, J. Harson Rhoades and Bank Commissioner Preston. The main object to be aimed at is the throwing open of the security market for the purchase of investments by the bank managers.

NEW YORK CITY.—Among the mighty factors operative in the financial world at the present time, the banking house of Drexel, Morgan & Co. occupies a leading position. In assuming the duties of reorganizing the Richmond and West Point Terminal system of railroads, it essays a task of herculean proportions; and yet, such have been its successes in this line of work in the past, and so great is the prestige which it has secured that all the various and conflicting interests in the Terminal system agree, to avoid further friction, and join with the Drexel-Morgan bankers in restoring unity and harmony, and contributing sufficient money to place its operations on a profitable basis. The plan of reorganization which Drexel, Morgan & Co. formulate will be adopted and carried through. A great deal of pioneer work toward the reorganization of the Terminal property has been accomplished by Frederick P. Olcott and the Central Trust Company. Mr. Olcott, however, found it impossible to secure the co-operation of the underlying bondholders of the Terminal system. That stumbling-block has been removed by Drexel, Morgan & Co. It is a vast work which is being accomplished by Drexel, Morgan & Co., and success will save from bankruptcy the major portion of the railways of the South Atlantic States and their security holders from overwhelming disaster. We are sorry to learn later that some unforeseen obstacles have appeared causing Messrs. Drexel, Morgan & Co. to decline the reorganization.

NEW YORK CITY.—New Yorkers have come to regard the Bowery Savings Bank as such a stable and immovable institution that the announcement of the intention of its directors to tear down the present building and erect in its place a much larger one will occasion surprise. This bank has long been looked upon as one of the great financial bulwarks of New York, while its plain brownstone building, which stands in the Bowery, with the date "1834" carved on it, is one of the landmarks of the city. Spacious as the old building is, it is not large enough to accommodate the enormous and constantly increasing business. The deposits alone amount to nearly \$50,000,000, and would reach a much higher figure were it not for a rule the directors adopted some time ago, prohibiting any one from putting in more than \$250 in any six months. The present building covers two full city lots in the Bowery, and another lot forming an "L" in Grand street. Additional lots have been purchased, giving a total frontage of 100 feet in Elizabeth street, 100 feet in Grand street, and fifty feet on the Bowery.

BROOKLYN, N. Y.—The new building of the Brooklyn Savings Bank will be a magnificent structure, which will compete with the new Post-Office and the Dime Savings Bank for the title of the finest business building in Brooklyn. The drawings indicate an imposing pyramidal structure of smooth-faced light gray granite. The main front on Pierrepont street will be 80 feet in height from the sidewalk to the cornice, yet the building is so well proportioned that its most striking feature is not that of height. In this respect the architect is to be congratulated upon his good fortune in not being called upon to construct a "sky-scraper." The central division of the Pierrepont street front is slightly recessed, an arrangement which emphasizes the main entrance. This is the most important feature of the whole building. The center of the arch of the doorway is 25 feet in height, while the entrance itself is 20 feet in width. Round and square columns of polished gray granite flank the entrance and support a shallow balcony, which crosses the central section of the building just above the arch. The two enormous piers at the corners preserve the balance of the front, while adding much to the solid effect of the masonry. The perpendicular divisions are not so well marked. The light molding which marks

the base line of the first floor windows is the only indication of a basement. This gives the building the appearance of running down into the ground and stopping short, rather than suggesting a solid foundation. The fine cornice which separates the attic floor from the main division of the building only accentuates this fault, if it is a fault. The arrangement of the openings on the Pierrepont street side is good, and suggests the interior arrangement. The large gable on the Clinton street side, with its enormous window, indicates that the center of the building is occupied by a large hall. The smaller windows of the little two-story additions, which, in connection with the four-sided peaked roof, complete the pyramidal composition of the structure, are evidently intended to illuminate small offices. The vacant space on the east side permits the introduction of another large window to light the main hall, corresponding to that on the Clinton street side. In addition, large skylights will flood the central room with light. At the extreme end of the Clinton street side is a small private entrance for the officers and employees of the bank. A pretty touch of color will be given to the exterior by the roofs of red fluted tiling, which will crown both the main building and the little wings. The interior will be extremely luxurious in all its appointments. All the features of the decoration are not yet decided upon, though one of the most striking will be the wainscot in the main hall. This will be of polished onyx and will be 18 feet in height. The Brooklyn Savings Bank was incorporated April 7, 1827. The incorporators named were Robert Snow, Andrew Mercein and Robert Nichols, men who were noted for their public spirit at that early date in the history of the city of Brooklyn. The first officers of the bank were Adrian Van Sinderin, president; Hezekiah B. Pierrepont and Adam Tredwell, vice-presidents; Abraham Vanderveer, treasurer; James S. Clark, secretary, and Robert Nichols, accountant, all of whom served without remuneration. The first place of business was in the basement of the Apprentices' Library, at the corner of Cranberry and Henry streets, and here the first deposit was made. It came from John Bigelow, a bookbinder, and amounted to \$1. The building which the bank now occupies at the corner of Fulton and Concord streets was erected in 1847. Mr. Van Sinderin, the first president of the bank, was succeeded by David Stanford, and he by Hosea Webster, who ably filled the position until his death, June 1, 1883, at the age of 94. When Mr. Webster became president of the bank in 1847 the deposits amounted to \$191,000, with a surplus of \$8,000, and at the time of his death the deposits exceeded \$20,000,000, and there was a surplus of nearly \$2,000,000. After Mr. Webster's death, Henry P. Morgan, who had been acting president for several years, was elected to that office and still holds it. His associate officers are as follows: Vice Presidents—Edward D. White, Henry K. Sheldon, cashier, Felix E. Flandreau; controller, Charles C. Putnam; trustees, Henry P. Morgan, Edward D. White, Henry K. Sheldon, Abraham B. Baylis, Bryan H. Smith, Alexander Forman, Edward H. Litchfield, Frank Lyman, Edwin F. Knowlton, Henry E. Pierrepont, Elias Lewis, Jr., Lyman R. Greene, William G. Low, Richard L. Edwards, Edward H. Kidder, Franklin E. Taylor, Crowell Hadden, Edward Goodwin, David G. Legget, Willis L. Ogden, John F. Halsted, William A. Read, Courtlandt P. Dixon, Daniel F. Lewis, William V. R. Smith, William D. Bancker. On Jan. 1 of this year the total resources of the bank were \$26,919,609.05, there were 52,994 accounts, and the surplus fund was between four and five million dollars.

BINGHAMTON SAVINGS BANK.—At the twenty-fifth anniversary of the founding of the Binghamton Savings Bank, a large number of the friends of Harris G. Rodgers called upon him. The trustees came in a body, and the occasion was one of keen enjoyment. The employees of the institution presented Mr. Rodgers with a black Russia leather portfolio bound in silver. On one corner was the date "1867," and on the other "1892." Among the interesting things brought to light was the first book ever kept by the bank showing the deposits. May 15th, 1867, Gen. Edward F. Jones deposited five cents in the bank. He was the first depositor. From that time until the present \$16,575,380.49 have been deposited. At the expiration of its twenty-fifth year the Binghamton Savings Bank is in a prosperous condition, and bids fair to enjoy that ample success in the future, which has marked its course in the past.—*Binghamton Herald*.

BUFFALO, N. Y.—A proposed reduction in the rate of interest paid to the savings banks has led to the withdrawal of over \$1,000,000 in deposits from commer-

cial banks of the city last week. On account of this easiness of money, the commercial banks asked the savings banks to accept 3 per cent. in place of 4. Savings bank officials say they anticipate no difficulty in investing the money withdrawn at 4 and 5 per cent interest.

PHILADELPHIA.—The Market Street National Bank has celebrated its fifth birthday by publishing a handsome little blue-covered volume, beautifully printed with photogravure illustrations, in which are given many interesting facts concerning its foundation in the spring of 1887, and its remarkable growth. Its successful career is due to the services of its president, Charles H. Banes, of Erben, Search & Co., and its directors, who have continued in administration since the bank started. The bank's paid-up capital stock is \$600,000 and its surplus fund \$120,000. Its individual deposits aggregate \$2,822,520, and its loans \$2,648,670. The steel vaults have every contrivance that modern ingenuity can devise to afford security.

WESTERN STATES.

GRAND JUNCTION, COL.—The new Mesa County Bank building, which is just completed, is of light brick and sandstone, two stories in height, and finished in an excellent manner. It is heated by steam, having its own steam plant, and is lighted with electricity. Water pipes are in each room in the building, and the sewer system throughout the building is the best that could be obtained. The new building covers more ground than any in the city, and is consequently the largest of which Grand Junction boasts. The two finest buildings in the city are those occupied by the two Grand Junction banks.

CHICAGO, ILL.—The Hibernian Banking Association have moved to their new and elegant quarters in the Ashland Block. In 1867 Mr. Clarke laid the foundations of his now great financial institution, and for a quarter of a century has stood before the people of this city as the very highest type of business skill, prudence and integrity. In that time he has steadily risen, until to-day finds him the controlling spirit and central figure of the most magnificent bank in the West, and probably in the country. The Hibernian Banking Association's quarters in the new Ashland Block, on the northeast corner of Randolph and Clark streets, are convenient and attractive in the extreme. The whole south half of the first floor above the street is devoted to the bank, affording the largest banking room in the city. Every branch of the great business which Mr. Clarke has drawn to his counters is provided for in every way known to architecture and art. The general banking business has been given a prominent place, as it should be, but without detracting in any way from the savings department, which is under the direction of Mr. Charles F. Clarke. In every direction are seen evidences of lavish expenditures for the accommodation and delectation of customers. Plate glass gleams on all sides, while mahogany and marble in profusion lend a rich tone to the charming interior. The place is worth a special visit, and no doubt the wide acquaintance and high commercial and social standing of President Clarke will turn his palatial office into a gay reception room for several days to come.

DETROIT, MICH.—The executive committee of the State Association of Bankers has held its annual conference. One of the objects of the meeting was to complete arrangements for the annual State convention in Detroit next September. Another question was the securing of a fixed rate for making collections. Every bank fixes its own charges, and considerable inconvenience results.

IONIA, MICH.—The Ionia County Savings Bank is distributing among its depositors handsome Russia leather pocket-books, on which appears the name of the recipient and "Compliments Ionia County Savings Bank, Ionia, Mich."

GRAND RAPIDS, MICH.—Articles incorporating the "State Bank of Michigan," of this city, have been filed with the county clerk. The new organization will do a commercial and savings bank business, and will open its doors with \$200,000 capital, fully paid. This capital is divided into 2,000 shares of \$100 each, which has all been subscribed. Following the election, the directors organized by electing the following officers: President, Daniel McCoy; vice-president, Israel C. Smith; cashier, Charles F. Pike. Mr. Pike was for many years connected with the old National bank. James H. VanDugteren will act as teller, and H. N. Morrill as second teller and collecting clerk. The new bank will begin business

July 1, in the Michigan Trust Company's new building on the Pearl and Ottawa street front, on the first floor.

ST. PAUL, MINN.—Bank crooks will learn by and by that there is one bank in the country that it is pretty good policy to give a wide berth in attempting to work their schemes—that is the St. Paul National, of St. Paul, Minnesota. What emphasizes this assertion is the experience of one of these clever gentry who arrived in St. Paul on the 2d inst., from Milwaukee, where he took in to a small extent one of the prominent banks. He introduced himself to a life insurance agent representing one of the large eastern companies, and by means of fraudulent commendatory letters gained the insurance man's confidence, enough so that he was engaged to work for the company. Stating that he needed a small bank account, he was introduced to the St. Paul National and vouched for by the insurance man. Two days later he presented for deposit a check purporting to be, drawn on the Metropolitan National Bank, of Buffalo, N. Y., for \$416.50. The teller, without arousing the suspicion of this man, called the attention of the president of the bank to the check for the purpose of getting his "O. K." if it was all right for credit, but it did not require long for the president to be pretty fully convinced that the check was not all right; this impression, however, he kept to himself. Later in the day he came in with another check and a letter showing that the same was sent to his sister as a part of an inheritance, and talked with the president about some investment of the funds resulting from the estate, whereby he could get her a little interest and yet have the same in such shape that they could be availed of when she should pay for the millinery stock that she was putting in. The president was so sure of the man being one of the kind that make their living off banks that he detained the man in his private office while the Chief of Police could come and take the man into custody. In St. Paul he passed at the bank and with the insurance company for whom he started ostensibly to work, as R. H. L. Dwight, at the Merchants' Hotel, where he was stopping, he registered as Geo. F. Miles, at Milwaukee, where he operated before coming to St. Paul, his name was Albert W. Lyon, and from papers found in his room at the hotel it would seem that his name is Wm. Geer, that his family live in Glen Ridge, New Jersey, and that he is absent from that climate rustivating in the West until such time as "the clouds roll by" in that section. Geer is a man probably thirty to thirty-five years old, a little gray sprinkled in his hair, and particularly noticeable where it is brushed back over his ears, of a dark sallow complexion, giving one the impression that he has lived in a malarial country, about 5 feet 6 inches, and of medium build, has a small round scar about the size of a pea just over the left eyebrow, and is evidently of a very nervous temperament, as shown by the wrinkling of his forehead, and the throbbing in the forehead over the eyes. When arrested, he had on him some grease paint for the purpose of changing his appearance, and in his room was found a pair of card holders for holding cards up the sleeve when playing poker, also various shades of ink, blocks of checks on eastern banks, rubber stamps for certifying the same, and a number of checks purporting to be certified in blank, awaiting the filling in. This man in his general appearance tallies pretty well with the crook that is wanted in Toledo, Ohio, for bank fraud on March 19th, and in Nashville, Tenn., on March 26th, although his methods are somewhat different. Showing the way Minnesota treats this kind of men, it may be well to note that he reached St. Paul on the 2d of May, on the morning of the 5th he developed his scheme at the St. Paul National, on the afternoon of the 5th he was in the charge of the police, on the morning of the 6th he was before the police, and on the afternoon of the 6th his case had been presented to the grand jury, and we have no doubt that before this month is over he will find that a Minnesota court is as stern as it is prompt in dealing with this class of men. The St. Paul National Bank is to be congratulated on the fact that they have lost nothing by the swindler, and the banks of the country that the St. Paul National has put one of this class out of the way of mischief for some time to come.

ST. PAUL, MINN.—The Commercial Bank will reorganize and resume business. The bank was an institution of usefulness to the city, and it is a gratifying circumstance that it is to resume its place. There is more than room for it, there is need of it, and no doubt whatever can be entertained of its success. The project of the stockholders is entitled to the heartiest countenance, and whatever of co-operation

is essential should be promptly tendered and the doors re-opened. The adoption of this policy will avert much of what might have eventuated in disaster, for which now there will be found such support that the kindness of time will repair all loss. It has not seemed possible that the suspension could be or would be permanent, and there is no more cheerful item of news to give the public than the pleasing and assuring fact, for the business community, that the Commercial will gallantly arise and again become the servant and depository of the people.—*St. Paul News*.

MINNEAPOLIS, MINN.—A PROSPEROUS BANK.—The stockholders of the Metropolitan Bank held a meeting June 15th to consider the advisability of increasing the capital of the bank, and they voted to increase it from \$150,000 to \$200,000, the new stock to be paid in September 15, at \$118 per share. Ten per cent. of the premium will be credited to the surplus fund and eight per cent. to undivided profits. This will give the bank a surplus of \$20,000 and undivided profits in the neighborhood of \$15,000. This bank commenced business May 4th, 1889, and has paid its stockholders a dividend of eight per cent. per annum almost from the start, while paying the taxes, so that the dividend has been net to the stockholders. This is a pretty good record and makes the stock a very desirable investment.

KANSAS CITY, MO.—CITY DEPOSITS.—The contract with the National Bank of Commerce provides that the city shall deposit with that institution two-thirds of its funds from day to day, the bank to pay 3.66 per cent. interest on the daily balances of one third and 3.84 on the daily balances of the other third. As security for the money to be thus deposited in the bank, the city has received a bond for one million dollars. The Union National Bank is to have the keeping of one-third of the city's funds, and is to pay 3.02 per cent. interest on the daily balances. The bond given for security is for half a million dollars.

SOUTHERN STATES.

TALLADEGA, ALA.—The banking firm of Isbell & Co., at Talladega, are now lending money to farmers and others at 8 per cent., something new for a bank in this country to do.—*Birmingham News*.

KENTUCKY.—The serious question which involved a possible deficit of \$118,000 in the State's revenue has been settled by Attorney-General Hendricks. At the request of the Auditor, that official has given an opinion that the banks will this year have to pay seventy-five cents on each \$100 capital stock, as paid by them heretofore under the Hewitt law. He holds that the bank taxation clause of the new constitution is self-operative, but because of the fact that the constitution was not promulgated until September 28, thirteen days after the date for taking the annual assessment of property for State taxation, and no assessment of banks was made, the self-operating clause could not be made to apply to the taxes for 1892. He says, however, that the banks will have to be assessed next September under the constitutional provision for taxation in 1893. Under the provisions of the Hewitt revenue law, the bank taxes were due to the State July 1, and amounted last year to \$118,000. The clause of the constitution which subjects banks to local as well as State taxation being evidently self-operative, and no provision being made for assessing and collecting it this year, the banks would have, as a matter of course, resisted any attempt to collect either State or local taxes. The State would thus have been put to expense and delay in collecting its revenue. The opinion of the Attorney-General is a practical solution of the problem, and likewise a clear elucidation of the question as to how a self-operative constitution doesn't always operate.

LOUISVILLE, KY.—It is proposed by the Charter Commission of Louisville to tax the banks of that city by license tax based upon the gross earnings. Said a member of that Commission, a gentleman whose opinions upon matters of municipal government are sought upon all sides, "The bank tax has not been definitely settled, but by taxing gross earnings we reach the fees and commissions of trust companies, which we would not reach by a tax on capital and surplus. We reach also the earnings from capital invested in bonds, which would claim exemption from a direct tax on capital. We reach also the earnings of a bank secured from the use of its deposits. In short, this appears to us to be the most uniform, equitable and at the same time the most comprehensive system for taxing what is termed as personal property yet devised."

PACIFIC STATES.

OAKLAND, CAL.—The Home Savings Bank has increased its capital stock from 5,000 shares of the par value of \$100 per share to 10,000 shares of the par value of \$100 per share.

FOREIGN.

MONTREAL.—The statement of the result of the business of the Bank of Montreal for the year ended April 30 last has been issued. Last year the new management took occasion to write down everything to a safe basis. Mr. Clouston had a desire to make everything absolutely safe, and consequently the profits were put down at about 7 per cent. To-day's statement shows the profits to be a fraction over 11 per cent. This is about 1 per cent. more than the general public looked for. "The street" considers the statement very satisfactory and thinks the prospects for a bonus in the early future very bright. The last bonus paid was in 1887, when the bank paid 10 per cent. dividend and 2 per cent. of a bonus. The following comparison of the result of the business of the bank for the years ending April 30, 1892 and '91 respectively, will be of interest :

1892.	
Balance of profit and loss account, 30th April, 1891.....	\$439,728 30
Profits for the year ended 30th of April, 1892, after deducting charges of management, and making full provision for all bad and doubtful debts.....	1,325,887 03
	<hr/>
	\$1,765,615 33
Dividend 5 per cent. paid 1st December, 1891....	\$600,000 00
Dividend 5 per cent. payable 1st June, 1892.....	600,000 00
	<hr/>
	1,200,000 00
Balance of profit and loss carried forward.....	\$565,615 33
LIABILITIES.	
Capital stock.....	\$12,000,000 00
Reserve.....	\$6,000,000 00
Balance of profits carried forward.....	565,615 33
	<hr/>
	\$6,565,615 33
Unclaimed dividends.....	3,020 49
Half-yearly dividend, payable 1st June, 1892....	600,000 00
	<hr/>
	7,168,635 82
	<hr/>
	\$19,168,635 82
Notes of the bank in circulation.....	\$4,912,415 00
Deposits not bearing interest.....	7,097,563 34
Deposits bearing interest.....	19,879,444 48
	<hr/>
	31,889,422 82
	<hr/>
	\$51,058,058 64

ASSETS.

The assets show gold and silver coin current, \$1,797,095.66; Government demand notes, \$2,479,514.25; Dominion Government deposit, balances due by other banks and agencies, \$9,766,159.16; Government bonds, etc., \$1,308,000.00; notes and checks of other banks, \$903,699.24; bank premises, \$600,000; other assets, including current loans, \$34,068,590.33, making a total of \$51,058,058.64.

1891.	
Balance of profit and loss account, 30th April, 1890.....	\$794,728 85
Profits for the year ended 30th April, 1891, after deducting charges of management, and making full provision for all bad and doubtful debts.....	844,999 45
	<hr/>
	\$1,639,728 30
Dividend 5 per cent. paid 1st December, 1890....	\$600,000 00
Dividend 5 per cent. payable 1st June, 1891.....	600,000 00
	<hr/>
	1,200,000 00
Balance of profit and loss carried forward.....	\$439,728 30

The market price of Bank of Montreal stock, on April 30, 1892, was 227½ at 230 per cent. (equal to \$455 per share.)

SCOTLAND.—The retirement of Mr. James Simpson Fleming, who was for many years the general manager and guiding spirit of the Royal Bank of Scotland, has been announced. The *Daily News* has published the following particulars of Mr. Fleming's career: "In the year 1852 he started as a solicitor in Glasgow. A year or two afterwards he became law officer of the Western Bank of Scotland, and he acted for a year as one of the liquidators, but he remained in practice as solicitor till the year 1871, having meanwhile been appointed a member of the Royal Commission to inquire into the law of hypothec. In 1866 he was examined before a select committee of the House of Commons on the subject of the Land Registers of Scotland, and supported the centralization of those registers, a policy which was duly carried out by Act of Parliament in 1868. In the year 1871 he was invited to take the management of the Royal Bank of Scotland, a position he has filled with great credit to himself and advantage to the bank. Mr. Fleming was a witness before the House of Commons on the subject of the incursion of Scotch banks into England. His works on banking have favored the principle of the control of the issue of bank notes by the State, and he has given weighty reasons why a State issue should take the place of the present system of private issues. Mr. Fleming is not an old man, having been born so late as 1828, but he has lived an active life, and it will not be easy to replace him." The Royal Bank of Scotland has furnished the Australasian banking world with some able members of the profession. Mr. Fleming's nephew (Mr. C. H. W. Fleming) fills the position of agent in the St. Peter's (Sydney) branch of the Bank of Australasia.

The reports of the New York Clearing-house returns compare as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
June 4.	\$492,701,700	\$104,035,800	\$55,159,200	\$542,061,000	\$5,723,600	\$23,679,750
" 11.	473,669,700	102,945,900	56,120,700	542,083,000	5,601,400	23,545,850
" 18.	496,564,000	101,054,300	57,645,300	543,663,100	5,628,000	22,783,825
" 25.	495,230,900	95,597,100	58,897,100	538,488,600	5,616,000	19,872,050

The Boston bank statement is as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
May 28.	\$169,321,700	\$11,825,600	\$6,043,600	\$157,245,600	\$4,350,400
June 4.	171,534,500	11,595,200	5,430,700	158,200,700	4,427,200
" 11.	172,841,700	11,540,800	5,128,800	157,695,300	4,579,200
" 18.	171,805,000	11,463,000	5,508,000	158,345,000	4,607,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	Loans.	Reserves.	Deposits.	Circulation.
June 4.	\$101,310,000	\$42,605,000	\$118,144,000	\$3,483,000
" 11.	102,220,000	42,439,000	118,532,000	3,491,000
" 18.	102,288,000	41,445,000	117,859,000	3,492,000
" 25.	102,806,000	41,439,000	117,755,000	3,487,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	June 6.	June 13.	June 20.	June 27.
Discounts.	4 @ 5	4 @ 5	3½ @ 4½	4 @ 5
Call Loans.	1½ @ 1	1½ @ 1	2 @ 1½	2 @ 1½
Treas. balances, coin.	\$101,207,716	\$99,370,052	\$91,608,560	\$86,881,103
Do. do. currency.	17,684,404	16,158,494	15,654,292	18,222,151

Sterling exchange has ranged during June at from 4.88 @ 4.88¾ for bankers' sight, and 4.87 @ 4.87¾ for 60 days. Paris—Francs, 5.16¼ @ 5.15 for sight, and 5.17½ @ 5.16¼ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.87¼ @ 4.87½; bankers' sterling, sight, 4.88¼ @ 4.88½; cable transfers, 4.88½ @ 4.88¾. Paris—Bankers', 60 days, 5.17½ @ 5.16½; sight, 5.15½ @ 5.15. Antwerp—Commercial, 60 days, 5.18¾ @ 5.18½. Reichmarks (4)—bankers', 60 days, 95¾ @ 95½; sight, 95¾ @ 95½. Guilders—bankers', 60 days, 40¼ @ 40 3-16; sight, 40¾ @ 40 7-16.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from June No., page 987.)

<i>State.</i>	<i>Place and Capital</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondents</i>
N. Y. CITY.....	Sherman Bank.....		
	\$200,000 Douglass R. Satterlee, P.		Henry D. Northrop, <i>Cas.</i>
ARIZ.....	Nogales.....	International Bank.....	National Bank Commerce.
		George Berrott, P.	Josiah E. Stone, <i>Cas.</i>
		G. H. Carrel, V. P.	
CAL....	Bakersfield.....	Bakersfield Savings Bank..	
	\$100,000	S. W. Fergusson, P.	Frank A. Stewart, <i>Cas.</i>
		W. S. Tevis, V. P.	
• ..	Berkeley.....	Commercial Bank.....	National Bank Commerce.
	\$40,000	Frank K. Shattuck, P.	Addison W. Naylor, <i>Cas.</i>
		Walter E. Sell, V. P.	
• ..	Riverside.....	Riverside National Bank...	
	\$100,000	Samuel C. Evans, Jr., P.	Francis R. Ross, <i>Cas.</i>
COL....	Fremont.....	Bi-Metallic Bank.....	Mercantile National Bank.
	\$30,000	Wm. Barth, P.	Curtis G. Hathaway, <i>Cas.</i>
		H. W. Bennett, V. P.	T. H. Sheldon, <i>Ass't.</i>
• ..	Silverton.....	Bank of Silverton.....	Hanover National Bank.
	\$35,000	G. H. Stoiber, P.	James H. Robin, <i>Cas.</i>
		John M. Gundry, V. P.	
DAK. S.	Clear Lake.....	Farmers State Bank.....	Mechanics National Bank.
	\$250,000	John Swenson, P.	John A. Thronson, <i>Cas.</i>
		T. E. Sanborn, V. P.	
• ..	Kimball.....	Kimball State Bank.....	Hanover National Bank.
		John Parker, P.	W. H. Wyant, <i>Cas.</i>
		Edw. Brenne, V. P.	
ILL....	Anna.....	City Bank of Anna.....	
		(Chas. L. Otrich.)	
• ..	Breese.....	Bank of Breese.....	
		August Schlaflly, P.	Ferdinand Krebs, <i>Cas.</i>
		Fred. Schlaflly, V. P.	
• ..	Byron.....	Byron Bank.....	
	\$10,000	Stephen B. Shuart, P.	Sherman E. Caldwell, <i>Cas.</i>
• ..	Byron.....	Farmers & Merchants Bank.	Chase National Bank.
		Wm. C. Bunn, P.	H. M. Brewster, <i>Cas.</i>
		M. S. Brewster, V. P.	G. McAfee, <i>Ass't.</i>
• ..	Colchester.....	Bank of Colchester.....	
	\$25,000	(Chandler & Imes.)	
• ..	Elgin.....	Home Savings Bank.....	
	\$100,000	E. Dunbar Waldron, P.	Wilson H. Doe, <i>Cas.</i>
		Alfred B. Church, V. P.	
• ..	Freeport.....	Farmers and Merchants B'k.	Hanover National Bank.
	\$100,000	E. Mayer, P.	John H. Brockmeier, <i>Cas.</i>
		John H. Snyder, V. P.	
• ..	Marshall.....	Dulaney National Bank....	
	\$50,000	Robert L. Dulaney, P.	Harry B. Dulaney, <i>Cas.</i>
• ..	Seneca.....	State Bank of Seneca.....	
	\$2,500	Thomas D. Catlin, P.	Chas. P. Taylor, <i>Cas.</i>
		Albert F. Schoch, V. P.	
IND....	Earl Park.....	Bank of Earl Park.....	
		Adam D. Raub, P.	Wm. C. Ditton, <i>Cas.</i>
		Wm. H. Dagwe, V. P.	
• ..	Fowler.....	Bank of Benton Co.....	Phenix National Bank.
	\$25,000	William B. Fowler, P.	Lee Dinwiddie, <i>Cas.</i>
			L. A. McKnight, <i>Ass't.</i>
• ..	Garrett.....	Garrett Banking Co.....	Hanover National Bank.
	\$25,000	H. N. Coffinberry, P.	T. O. Mitchell, <i>Cas.</i>
• ..	Hammond.....	Commercial Bank.....	Chase National Bank.
	\$50,000	Thomas Hammond, P.	Warren W. Smith, <i>Cas.</i>
		James A. Ostrom, V. P.	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IND....	Plymouth.....	Plymouth State Bank.....	Liberty National Bank.
	\$50,000	David E. Snyder, <i>P.</i>	Oliver G. Soice, <i>Cas.</i>
		Henry G. Thayer, <i>V. P.</i>	
• ..	South Bend.....	Citizens National Bank.....	Jno. F. Reynolds, <i>Cas.</i>
	\$100,000		Chase National Bank.
• ..	Vevay.....	Vevay Deposit Bank.....	Charles C. Shaw, <i>Cas.</i>
	\$50,000	Robert A. Knox, <i>P.</i>	
		James M. Scott, <i>V. P.</i>	
IND. T..	Purcell.....	Chickasaw National Bank..	
	\$50,000	Robt. J. Love, <i>P.</i>	Alfred D. Hawk, <i>Cas.</i>
IOWA...	Belle Plaine....	Citizens National Bank.....	Chase National Bank.
	\$50,000	E. E. Hughes, <i>P.</i>	Chas. A. Blossom, <i>Cas.</i>
			C. C. Furnas, <i>Ass't.</i>
• ..	Nora Springs..	First National Bank.....	Kountze Bros.
	\$50,000	Louis H. Piehn, <i>P.</i>	H. F. Schnedler, <i>Cas.</i>
		John G. Gaylord, <i>V. P.</i>	
• ..	Portsmouth....	State Bank.....	
	\$25,000	Peter Korth, <i>P.</i>	R. F. Scroggin, <i>Cas.</i>
		Peter Herkenrath, <i>V. P.</i>	
• ..	Roland.....	Farmers Bank.....	
	\$30,000	W. F. Swayze, <i>P.</i>	H. E. Myrah, <i>Cas.</i>
		S. O. Hegland, <i>V. P.</i>	
• ..	Spirit Lake....	First National Bank.....	National Park Bank.
	\$50,000	B. B. Van Steenburg, <i>P.</i>	Samuel L. Pillsbury, <i>Cas.</i>
		V. C. Hemmingway, <i>V. P.</i>	
• ..	Watkins.....	Watkins Savings Bank.....	
	\$10,000	Thomas Wolf, <i>P.</i>	Chas. R. Dillin, <i>Cas.</i>
		Wm. H. Bicker, <i>V. P.</i>	
• ..	Woodbine.....	First National Bank.....	Chase National Bank.
	\$50,000	Josiah Coe, <i>P.</i>	H. M. Bostwick, <i>Cas.</i>
		C. D. Stevens, <i>V. P.</i>	
KAN....	Cherry Vale...	Montgomery Co. Nat. B'k..	
	\$50,000	C. F. Carson, <i>P.</i>	Revilo Newton, <i>Cas.</i>
		C. C. Kincaid, <i>V. P.</i>	
• ..	Lawrence.....	Merchants Loan & Sav. B'k.	
	\$10,000	M. Newmark, <i>P.</i>	W. F. March, <i>Cas.</i>
		G. Monroe, <i>V. P.</i>	
• ..	Marquette.....	State Bank.....	
	\$9,000	Alfred Hawkinson, <i>P.</i>	
		H. Lamson, <i>V. P.</i>	
• ..	Salina.....	Salina State Bank.....	American Exchange Nat. Bank.
	\$25,000	W. P. Pierce, <i>P.</i>	Frank G. Locke, <i>Cas.</i>
KY....	Grayson.....	Commercial Bank.....	
	\$25,000	J. W. Strother, <i>P.</i>	Winfield Scott, <i>Cas.</i>
		J. W. Hord, <i>V. P.</i>	A. T. Henderson, <i>V. P.</i>
MASS...	Lowell.....	Traders National Bank....	Chase National Bank.
	\$200,000	Chas. J. Glidden, <i>P.</i>	Wm. F. Hills, <i>Cas.</i>
		Eugene S. Hylan, <i>V. P.</i>	
MICH...	Clinton.....	Smith, Richmond & Co....	Mercantile National Bank.
			Leander W. Kimball, <i>Cas.</i>
• ..	Gaylord.....	Otsego Co. Bank.....	Imp. & Traders National Bank.
		(Comstock & Quick.)	W. H. H. Cooper, <i>Cas.</i>
• ..	Marshall.....	Commercial Savings Bank.	Hanover National Bank.
	\$50,000	William J. Dibble, <i>P.</i>	Winthrop T. Phelps, <i>Cas.</i>
		Edgar G. Brewer, <i>V. P.</i>	
MINN...	Brown's Valley.	Brown's Valley State Bank.	
	\$30,000	H. Nelson, <i>P.</i>	Oscar Gunderson, <i>Cas.</i>
		Geo. S. Smith, <i>V. P.</i>	
• ..	Duluth.....	Iron Exchange Bank.....	Chase National Bank.
	\$100,000	Leonidas Merritt, <i>P.</i>	Thomas H. Phillips, <i>Cas.</i>
		Jas. T. Hale, <i>V. P.</i>	Chas. E. Dewitt, <i>Ass't.</i>
• ..	Duluth.....	Duluth Loan, D. & Tr. Co.	Hanover National Bank.
	\$200,000	Nathaniel J. Upham, <i>P.</i>	T. Frank Upham, <i>Sec.</i>
		Franklin J. Pulford, <i>V. P.</i>	
• ..	Halstad.....	Bank of Halstad.....	Hanover National Bank.
	\$10,000	Julius Rosholt, <i>P.</i>	Anthon Eckern, <i>Cas.</i>
		T. Torgerson, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MINN.	Minneapolis.....	Washington Bank.....	Seaboard National Bank.
	\$100,000	Andrew C. Haugan, <i>P.</i>	John H. Field, <i>Cas.</i>
		A. E. Johnson, <i>V. P.</i>	O. E. Brecke, <i>Ass't.</i>
"	..New Duluth.....	New Duluth National Bank.	
	\$50,000	Edw. L. Bradley, <i>P.</i>	Geo. W. Keyes, <i>Cas.</i>
		J. P. Johnson, <i>V. P.</i>	
"	..Tyler.....	Bank of Tyler.....	
	\$5,000	M. Lauritzen, <i>P.</i>	Chas. Ozios, <i>Cas.</i>
MO.	Alton.....	Bank of Alton.....	Hanover National Bank.
	\$10,000	J. E. Moseley, <i>P.</i>	Guy S. Woodside, <i>Cas.</i>
MONT.	Philipsburg.....	Merchants & Miners Bank..	Chase National Bank.
	\$50,000	A. A. McDonald, <i>P.</i>	C. H. Eshbaugh, <i>Cas.</i>
		F. J. Wilson, <i>V. P.</i>	
NEB.	Brock.....	Farmers & Merchants Bank.	Western National Bank.
	\$15,000	Jacob Good, <i>P.</i>	Elmer F. Good, <i>Cas.</i>
		Geo. Townsend, <i>V. P.</i>	
"	..Ewing.....	Bank of Ewing.....	Chemical National Bank.
	\$7,200	M. N. Vanzandt, <i>P.</i>	Albert A. Ege, <i>Cas.</i>
		Ralph Ege, <i>V. P.</i>	
"	..Fremont.....	Home Savings Bank.....	
	\$12,000	Ernest Schurman, <i>P.</i>	F. McGiverin, <i>Cas.</i>
		Chas. H. May, <i>V. P.</i>	
"	..Grant.....	Citizens Exchange Bank.	
	\$15,000	August Jernberg, <i>P.</i>	D. E. Gray, <i>Cas.</i>
		H. H. Dorsey, <i>V. P.</i>	
N. MEX.	Deming.....	National Bank of Deming..	National Bank Commerce.
	\$50,000	Jonathan W. Brown, <i>P.</i>	Louis H. Brown, <i>Cas.</i>
		Jas. A. Lockhart, <i>V. P.</i>	
N. Y.	Elmira.....	State Bank.....	Hanover National Bank.
	\$50,000	Elmer K. Backer, <i>P.</i>	Charles C. Swan, <i>Cas.</i>
		Thomas A. Pagett, <i>V. P.</i>	
"	..Middletown.....	Orange Co. Tr. & S. D. Co.	Fourth National Bank.
	\$100,000	Chas. C. Luckey, <i>P.</i>	Frank Harding, <i>Sec. & Cas.</i>
		Geo. N. Clemson, <i>V. P.</i>	
"	..N. Tonawanda.....	Evans, McLaren & Co.....	Hanover National Bank.
	\$200,000	Edward Evans, <i>P.</i>	Wm. McLaren, <i>Cas.</i>
		Alex. G. Kent, <i>V. P.</i>	
OHIO.	Wash'g't'n C. H.	Midland National Bank....	
	\$50,000	Mills Gardner, <i>P.</i>	Chas. C. Pavey, <i>Cas.</i>
PA.	..Chartiers.....	First National Bank.....	Chase National Bank.
	\$50,000	Wm. Pickersgill, Jr., <i>P.</i>	Herbert A. Johns, <i>Cas.</i>
"	..McDonald.....	First National Bank.....	Seaboard National Bank.
	\$50,000	Edward McDonald, <i>P.</i>	G. S. Campbell, <i>Cas.</i>
		W. B. Moorehead, <i>V. P.</i>	Ida V. Steen, <i>Ass't.</i>
"	..Royer's Ford.....	Home National Bank.....	
	\$26,000	J. A. Buckwalter, <i>P.</i>	Geo. W. Bowman, <i>Cas.</i>
		G. E. Brownback, <i>V. P.</i>	
TEXAS.	Hearne.....	W. S. Bonner & Bro.....	Hanover National Bank.
	\$35,000		
"	..San Antonio.....	Fifth National Bank.....	Bank of New York, N. B. A.
	\$125,000	Geo. Dullnig, <i>P.</i>	H. O. Engelke, <i>Cas.</i>
		John R. Shook, <i>V. P.</i>	
"	..Tyler.....	Tyler National Bank.....	National Park Bank.
	\$100,000	W. G. Cain, <i>P.</i>	L. L. Jester, <i>Cas.</i>
		C. W. Kouns, <i>V. P.</i>	
WASH.	Coupeville.	Island Co. Bank.....	Chase National Bank.
	\$15,000	A. D. Blowers, <i>P.</i>	Thos. S. Beals, Jr., <i>Cas.</i>
		E. J. Hancock, <i>V. P.</i>	
W. VA.	Buckhannon....	Traders National Bank....	
	\$50,000	William Post, <i>P.</i>	Paul M. Robinson, <i>Cas.</i>
Wis.	River Falls.....	Farmers & Merch. State B'k.	Hanover National Bank.
	\$25,000	Willard P. Carr, <i>P.</i>	Nelson B. Bailey, <i>Cas.</i>
		N. P. Haugan, <i>V. P.</i>	
"	..West Superior.....	State Tr. & Savings Bank..	First National Bank.
	\$25,000	Henry O. Walseth, <i>P.</i>	Ole I. Ronning, <i>Cas.</i>
		Halford Erickson, <i>V. P.</i>	
WYOM.	Rock Springs..	Rock Springs National B'k.	
	\$50,000	Timothy Kinney, <i>P.</i>	Frank Pfeiffer, <i>Cas.</i>

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from June No., page 990.)

	Bank and Place.	Elected.	In place of.
N.Y. CITY...	Lincoln Nat. B'k.....	T. C. Van Santvoord, <i>Ass't Cas.</i>	.....
ALA....	Bank of Attalla, Attalla.....	Edgar Magness, <i>P.</i>	W. H. Magness, Jr.
ARK....	Peoples Savings B'k & Tr. Co. {	Jno. P. Moore, <i>P.</i>	N. Straub.
	Helena. {	G. Quarles, <i>V. P.</i>	Jno. P. Moore.
CAL....	Bank of National City, {	C. B. Whittelsey, <i>Cas.</i>	Jas. S. Gordon.
	National City. {	C. H. Sawyer, <i>Ass't Cas.</i>...	.....
CONN...	Savings Bank of New London..	Walter Learned, <i>Treas.</i> ...	J. C. Learned.*
"	Manufacturers Nat. Bank, {	G. W. Beach, <i>V. P.</i>.....	.....
	Waterbury. {	Chas. F. Mitchell, <i>Cas.</i>	C. R. Baldwin.
DAK. N.	First Nat. B'k, Devil's Lake...	J. A. Stewart, <i>Cas.</i>	Geo. Juergens.
"	Merchants N. B., Devil's Lake..	H. G. Merritt, <i>Cas.</i>	A. Peterson.
"	Bank of Hatton, {	J. P. Haber, <i>P.</i>	Julius Rosholt.
	Hatton. {	Julius Rosholt, <i>V. P.</i>	J. P. Haber.
"	First Bank of Leeds.....	Chas. S. Hartwell, <i>Cas.</i>	R. W. Akin.
"	Bank of Reynolds.....	Wesley Styles, <i>Cas.</i>	C. E. Clure.
GA....	Southern B'k'g and Trust Co. {	J. W. Grant, <i>V. P.</i>.....	.....
	Atlanta. {	T. C. Erwin, <i>Cas.</i>	R. C. De Saussure.
"	Barnesville Savings Bank, {	F. M. Farley, <i>P.</i>	R. J. Powell.*
	Barnesville. {	R. O. Cotter, <i>V. P.</i>	F. M. Farley.
ILL....	Citizens National Bank, {	J. W. Brooke, <i>Cas.</i>	N. L. Little.
	Attica. {	J. E. Walker, <i>Ass't Cas.</i> ...	J. W. Brooke.
"	First Nat. Bank, Chester.....	H. W. Roberts, <i>Ass't Cas.</i> ...	Theo. Saxonmeyer.
"	German Amer. N. B., Peoria...	B. Cremer, <i>P.</i>	V. Ulrich.
"	Union Nat'l Bank, Streator....	E. H. Bailey, <i>Cas.</i>.....	.....
IND....	City National Bank, {	J. M. Latta, <i>P.</i>	A. L. Hubbell.*
	Goshen. {	F. G. Hubbell, <i>V. P.</i>	J. M. Latta.
IOWA...	Bayard Savings B'k, Bayard....	T. C. Lundy, <i>Cas.</i>	D. G. Gurnes.
"	Merchants Nat. B'k, Clinton...	L. Lamb, <i>V. P.</i>	R. P. Gage.
"	Coon Rapids Bank, {	Abraham Dixon, <i>P.</i>	J. Cooney.
	Coon Rapids. {	J. G. Eaton, <i>Cas.</i>	M. M. Cooney.
"	Hotna Valley State Bank, {	R. Mickelwait, <i>P.</i>	Jas. Mickelwait.*
	Hastings. {	R. S. McDonough, <i>Cas.</i> ...	A. D. French.
"	Commercial State Bank, {	O. M. Gillett, <i>P.</i>	A. J. Barnett.
	Independence. {	C. M. Shillinglaw, <i>Cas.</i> ...	O. M. Gillett.
"	State Bank of Manning.....	F. Moershell, <i>P.</i>	G. W. Wattles.
"	Farm. & Merch. B'k, Merrill..	H. J. Moreton, <i>P.</i>.....	.....
"	First National Bank, {	A. S. Weir, <i>P.</i>	J. P. Farmer.
	Peterson. {	W. E. Bertram, <i>V. P.</i>	A. S. Weir.
"	Farm. & Merch. B'k, Preston...	H. H. Hurlburt, <i>Ass't Cas.</i>...	.....
"	First Nat. Bank, Rockford....	C. J. Storm, <i>Cas.</i>	F. E. Pollans.
"	State Bank, Tabor.....	Edward Billings, <i>Cas.</i>	H. L. Mitchell.
"	State Bank, Effingham.....	R. Mickelwait, <i>P.</i>	Jas. Mickelwait.*
KAN....	First National Bank, {	A. M. Ellsworth, <i>Cas.</i>	Gilbert Campbell.
	Howard. {	Chas. Green, <i>P.</i>	W. S. Lambert.
"	Bank of Richmond, {	Wm. Crooks, <i>V. P.</i>	S. J. Haines.
	Richmond. {	J. A. Hutchison, <i>P.</i>	Chas. E. Putnam.
"	Farmers Nat. Bank, Salina....	W. E. Spears, <i>V. P.</i>.....	.....
KY....	Clinton Bank, {	J. F. Merrill, <i>V. P.</i>.....	.....
	Clinton. {	John T. Moore, <i>P.</i>	J. M. Ringo.
"	Covington Trust Co., {	J. M. Ringo, <i>Cas.</i>	E. O. Reid.
	Covington. {	R. A. Jewell, <i>Ass't Cas.</i>...	.....
"	German National Bank, {	Wm. K. Benton, <i>V. P.</i>.....	.....
	Newport. {	C. W. Simrall, <i>Sec. & Tr.</i> ...	Wm. K. Benton.
"	Citizens Bank, Paris.....	E. C. Remme, <i>Cas.</i>	Waller Overman.
"	Deposit Bank, {	F. M. Brown, <i>Ass't Cas.</i> ...	E. C. Remme.
	Vanceburg. {	Wm. Myall, <i>Cas.</i>	John C. Brent.
LA....	Hibernia N. R., New Orleans..	Geo. M. Thomas, <i>P.</i>	S. Rugless.
ME....	Camden Savings B'k, Rockport..	S. Rugless, <i>Cas.</i>	A. H. Parker.
MD....	Fidelity Deposit Co., Baltimore..	P. L. Girault, <i>Ass't Cas.</i>...	.....
MASS...	Atlas National Bank, Boston....	G. E. Carleton, <i>P.</i>	S. D. Carleton.*
"	First Ward National Bank, {	Lloyd L. Jackson, <i>P.</i>	Clinton P. Paine.
	Boston. {	Fred. L. Richardson, <i>V. P.</i>...	.....
"	First Ward National Bank, {	Geo. W. Moses, <i>P.</i>	S. H. Whidden.*
	Boston. {	Wesley A. Gove, <i>V. P.</i>.....	.....
		Frank F. Cook, <i>Cas.</i>	Geo. W. Moses.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MASS.	Nat. B'k Republic, Boston.....	Albert Stone, <i>V. P.</i>	
"	..Everett Savings B'k, Everett.....	Jas. P. Stewart, <i>P.</i>	Wilmot R. Evans.
"	..Springfield Five Cts. S'gs B'k Springfield. }	Wm. Rice, <i>P.</i>	
"	..Townsend Nat. B'k, Townsend.....	A. D. Fessenden, <i>V. P.</i>	
"	..First Nat. B'k, So. Weymouth.....	H. B. Reed, <i>P.</i>	John S. Fogg.*
MINN.	..First Nat. B'k, Detroit City.....	E. D. Holmes, <i>Ass't Cas.</i>	
MISS.	..Columbus Ins. & B'kg Co., Columbus. }	C. H. Ayres, <i>Ass't Cas.</i>	
MO.	..Polk Co. Bank, Bolivar.....	W. B. Dunnegan, <i>Cas.</i>	C. E. Bushnell.*
"	..Browning Savings Bank, Browning. }	C. F. Turner, <i>V. P.</i>	M. T. Prather.
"	..Bank of Bucklin.....	J. B. Harmon, <i>Cas.</i>	T. M. Sayers.
"	..Exchange National Bank, Columbia. }	Geo. Manewal, <i>P.</i>	W. E. Story.*
"	..Bank of Marceline.....	Jno. S. Clarkson, <i>V. P.</i>	
"	..Bank of Marceline, Marceline. }	W. W. Garth, <i>Ass't Cas.</i>	Jno. S. Clarkson.
"	..Continental Nat. B'k, St. Louis.....	Geo. P. Allen, <i>P.</i>	B. F. Sights.
"	..Continental Nat. B'k, St. Louis.....	Geo. W. Early, <i>Cas.</i>	Geo. P. Allen.
MONT.	..Bank of Sandcoulee.....	H. A. Forman, <i>Cas.</i>	Chas. W. Bullen.
NEB.	..Bank of Sandcoulee.....	J. G. Anthony, <i>Cas.</i>	H. J. Skinner.
"	..Bank of Ainsworth.....	Spencer Rising, <i>P.</i>	J. H. Rogers.
"	..First National Bank, Elm Creek. }	H. Gibbons, <i>P.</i>	J. J. Bartlett.
"	..Bank of Morse Bluff.....	R. A. Lumley, <i>V. P.</i>	D. C. Bond.
"	..Otoe Co. N. B., Nebraska City.....	F. H. Farnsworth, <i>Cas.</i>	R. A. Lumley.
"	..First National Bank, North Platte. }	E. Schurman, <i>P.</i>	Jesse Gidley.
"	..First National Bank, North Platte. }	Jno. W. Steinhart, <i>Cas.</i>	Geo. A. Tenney.
"	..First National Bank, North Platte. }	E. M. F. Leflang, <i>P.</i>	T. J. Foley.
"	..Farm. & Merch. B., Stromsburg.....	A. McNamara, <i>Cas.</i>	W. B. Conklin.
"	..Key Port Banking Co., Key Port. }	M. C. Harrington, <i>Ass't Cas.</i>	A. McNamara.
N. J.	..Somerset Co. B'k, Somerville.....	J. W. Wilson, <i>Cas.</i>	J. L. Johnson.
"	..Broad St. N. B., Trenton.....	Alfred Walling, Jr., <i>P.</i>	T. S. R. Brown.*
"	..First National B'k, Woodbury.....	John W. Keough, <i>V. P.</i>	Alfred Walling, Jr.
N. Mex.	..Albuquerque Nat. Bank, Albuquerque. }	A. H. Dayton, <i>Cas.</i>	L. R. Vredenburgh*
N. Y.	..Long Island S. D. Co., Brooklyn. }	Robt. J. Grace, <i>Cas.</i>	Jos. G. Brearley.
"	..Columbia Nat. B'k, Buffalo.....	J. F. Graham, <i>Cas.</i>	E. T. Bradway.
"	..Western Savings B'k, Buffalo.....	A. W. Jones, <i>Cas.</i>	A. C. Briggs.
"	..Queen City Bank, Buffalo.....	Clement Lockitt, <i>P.</i>	Dan'l D. Whitney
"	..Bank of Campbell.....	Henry C. Howard, <i>V. P.</i>	
"	..First National Bank, Franklin. }	Philip Houck, <i>P.</i>	Joel Wheeler.*
"	..First National Bank, Friendship. }	D. C. Ralph, <i>Cas.</i>	G. C. Hardesty.
"	..Peoples Bank, Hamburg.....	Amasa B. White, <i>Cas.</i>	C. R. Woodward.
"	..Herkimer Bank, Herkimer. }	A. S. Douglas, <i>P.</i>	Chas. A. Douglas*
"	..Cataract B'k, Niagara Falls.....	F. W. Bartlett, <i>V. P.</i>	
"	..Merchants Bank, Rochester. }	E. C. Stewart, <i>Cas.</i>	F. W. Bartlett.
"	..First National Bank, Salem.....	Wm. L. Bowler, <i>P.</i>	A. W. Miner.*
OHIO.	..First National Bank, Akron. }	B. Frank Drake, <i>V. P.</i>	
"	..First Nat. Bank, Canal Dover.....	Burton M. Fish, <i>P.</i>	Robert B. Foote.
"	..Central Trust & S. D. Co., Cincinnati. }	W. I. Taber, <i>Cas.</i>	S. W. Lints.
"	..Cleveland Nat. B'k, Cleveland.....	Robert Earl 2d, <i>Ass't Cas.</i>	
"	..Hayden Nat. B'k, Columbus.....	Franklin Spaulding, <i>P.</i>	F. R. Delano.*
"	..First Nat. B'k, Hillsborough.....	Rufus K. Dryer, <i>P.</i>	Chas. J. Burke.*
OKL.	..Guthrie Nat. Bank, Guthrie.....	Wm. J. Ashley, <i>V. P.</i>	Rufus K. Dryer.
ORE.	..First National Bank, Athena. }	Percy R. McPhail, <i>Cas.</i>	Wm. J. Ashley.
"	..First Nat. Bank, Canal Dover.....	W. J. Fitch, <i>Act. Cas.</i>	T. E. Kenyon.*
"	..Central Trust & S. D. Co., Cincinnati. }	Wm. McFarlin, <i>P.</i>	T. W. Cornell.*
"	..Cleveland Nat. B'k, Cleveland.....	J. B. Wright, <i>Cas.</i>	Wm. McFarlin.
"	..Hayden Nat. B'k, Columbus.....	Wm. Alexander, <i>P.</i>	W. W. Holloway.*
"	..First Nat. B'k, Hillsborough.....	L. Spence, <i>V. P.</i>	Wm. Alexander.
"	..Guthrie Nat. Bank, Guthrie.....	C. H. Wenz, <i>Ass't Cas.</i>	
"	..First National Bank, Athena. }	Richard Dymond, <i>P.</i>	Levi C. Goodale.
"	..Cleveland Nat. B'k, Cleveland.....	P. M. Spencer, <i>V. P.</i>	H. Tiedmann.
"	..Hayden Nat. B'k, Columbus.....	W. P. Little, <i>Cas.</i>	E. K. Stewart.
"	..First Nat. B'k, Hillsborough.....	S. P. Scott, <i>P.</i>	John A. Smith.
"	..Guthrie Nat. Bank, Guthrie.....	W. J. Horsfall, <i>Cas.</i>	A. G. Herron.
"	..First National Bank, Athena. }	H. C. Stratton, <i>V. P.</i>	D. P. Thompson.
"	..Cleveland Nat. B'k, Cleveland.....	O. B. Marston, <i>Ass't Cas.</i>	E. L. Barnett.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
PA.....	Second Nat. Bank, Clarion	J. A. Myers, <i>Cas.</i>	N. Myers.*
"	First National Bank, Irwin	John F. Wolf, <i>V. P.</i>	
"	Peoples Savings Institution, North East	Samson Short, <i>P.</i>	Alfred Short.
"		Alfred Short, <i>Treas.</i>	B. C. Spooner.
"		Fred. O. Davis, <i>Sec.</i>	B. C. Spooner.
"	Corn Exchange Nat. Bank, Philadelphia	J. R. McAllister, <i>Ass't Cas.</i>	W. D. Schetky.
S. C....	B'k of the Carolinas, Varnville	E. W. Peebles, <i>Cas.</i>	A. M. Ruth.
TENN..	First National Bank, Dayton	H. C. Rose, <i>P.</i>	Jas. A. Tulloss.
"		J. J. Abel, <i>V. P.</i>	H. C. Rose.
"	Manuf. Nat. B'k, Harriman	R. B. Baird, <i>Cas.</i>	Jas. E. Mountjoy.
"	East Tenn. Nat. Bank, Knoxville	B. R. Strong, <i>P.</i>	R. S. Payne.
"	Holston National Bank, Knoxville	J. P. Gant, <i>Cas.</i>	Wm. H. Geers.
"		W. H. Hornsby, <i>Ass't Cas.</i>	
"	State National Bank, Memphis	A. D. Gwynne, <i>P.</i>	
"		W. D. Bethell, <i>V. P.</i>	A. D. Gwynne.
TEXAS..	Brownwood National Bank, Brownwood	Ed. T. Smith, <i>Ass't Cas.</i>	
"	First Nat. Bank, Coleman	L. E. Collins, <i>Ass't Cas.</i>	J. D. Cumming.
"	Coleman Nat. Bank, Coleman	R. H. Alexander, <i>Ass't Cas.</i>	
"	Central National Bank, Dallas	P. G. Claiborne, <i>Act. Cas.</i>	J. E. Lett.
"	First National Bank, Denison	H. M. Spalding, <i>Cas.</i>	C. W. Pyle.
"	Denton Co. National Bank, Denton	A. E. Graham, <i>V. P.</i>	
"		B. H. Davenport, <i>Ass't Cas.</i>	
VT....	Clement Nat. Bank, Rutland	O. F. Harrison, <i>Ass't Cas.</i>	
WASH..	Citizens Nat. Bank, Dayton	J. W. Jessee, <i>Cas.</i>	W. D. Perkins.
"	First National Bank, Pomeroy	G. L. Campbell, <i>Cas.</i>	H. M. Hathaway.
"		P. O. Seeley, <i>Ass't Cas.</i>	G. L. Campbell.
"	Washington Nat. Bank, Spokane	Will C. Ufford, <i>Ass't Cas.</i>	
WIS....	First National Bank, Portage	J. E. Wells, <i>P.</i>	Thos. Armstrong.
"	First National Bank, Racine	G. N. Fratt, <i>Cas.</i>	H. B. Munroe.
"		A. F. Erickson, <i>Ass't Cas.</i>	Edw'd Burbeck.
"	Superior National Bank, West Superior	Thos. G. Alvord, <i>P.</i>	A. A. Cadwallader.
"		H'y P. Peterson, <i>Ass't Cas.</i>	
ONT....	Bank of Montreal, Chatham	D. F. B. Glass, <i>M'gr.</i>	Angus Kirkland.
"	Canadian B'k Commerce, Galt	J. M. Duff, <i>M'gr.</i>	T. A. Stephen.
"	Bank of Hamilton, Georgetown	J. M. Roy, <i>Ag't.</i>	H. M. Watson.
"	Bank of Montreal, Ottawa	W. I. Anderson, <i>M'gr.</i>	Fred Gundry.
"	Canadian Bank Commerce, Parkhill	T. A. Stephen, <i>M'gr.</i>	J. M. Duff.
N. S....	Halifax Bank'g Co., Halifax	H. N. Wallace, <i>Cas.</i>	W. L. Pitcaithly.

* Deceased.

PROJECTED BANKING INSTITUTIONS.

ALA....	Florence.....	Merchants Bank; capital, \$50,000. J. H. Young, President; M. B. Shelton, Vice-President; S. S. Brodus, Cashier. Directors: James McPeters, W. H. Kendrick, Jere. McCluskey, Geo. P. Arthur, J. W. Bedingfield, A. E. Walker, J. W. Morgan, Jr.
CAL....	Oakland.....	A commercial bank to be started by the stockholders of the Union Savings Bank.
"	Paso Robles....	Citizens Bank. Officers: Judge M. R. Venable, President; Dr. J. H. Glass, Vice-President; A. F. Horstman, Cashier.
"	Riverside.....	Savings and Loan Association opened for business.
COL....	Denver.....	Title Guarantee and Loan Co.; capital, \$150,000.
"	Durango.....	New bank with capital of \$50,000 will open.
"	Lafayette.....	Farmers and Miners State Bank; capital, \$30,000. S. T. Hooper, Denver, President; C. C. Brown, Denver, Vice-President; G. C. Beaman, Lafayette, Cashier.
DAK.	N. Edgeley.....	Lorenzo Couse has organized the Bank of Edgeley.

- FLA.... Jacksonville A private bank to be established, with \$150,000 capital.
- GA.... Atlanta Exchange Bank; capital, \$100,000. Judge E. B. Rosser, President; G. R. DeSaussure, Vice-President and Secretary; R. C. DeSaussure, Cashier.
- .. Rome..... New National bank; capital, \$125,000.
 - .. Woodbury New bank to be started.
- ILL.... Chenoa New State bank opened.
- .. Farmersville.... Farmersville Bank. John Ball, President; Directors: Chas. G. Brown, of Divernon; William Humphrey, Virden; J. O. Humphrey, Springfield.
 - .. Peoria Home Savings Bank and State Bank opened under management of Val. Ulrich.
- IND.... Angola Steuben County Loan and Savings Association; capital, \$100,000. Directors: N. S. Joyce, Frank H. Chadwick, Charles H. Brown, John H. Wagner, Abraham Stevens, Orville Carter, Isaac Williamson, Francis McCartney, A. E. Emerson, Harry K. Scott, Sol. A. Wood.
- .. Churubusco . . . Citizens State Bank; capital, \$25,000. William Miller, President; M. L. Campbell, Cashier.
 - .. Indianapolis.... New National bank; Promoters: James A. Henry, of Gosport, Bruce Carr, Harvey M. LaFollette, E. J. Robinson and others.
 - .. Shelbyville..... National bank to be started.
- KAN.... Eudora New bank to be started.
- .. Kansas City.... Concordia Loan and Trust Co.; capital, \$250,000.
 - .. Sylvan Grove.... Sylvan State Bank.
- KY.... Erlanger..... Erlanger Deposit Bank; capital, \$50,000. Capt. W. H. Baker, President; E. H. Blankenbaker, J. W. Kennedy, J. E. Walton, F. A. Utz, W. H. Baker, J. T. Craven, J. Whitney Hall, Daniel Bedinger, Directors.
- LA.... Houma Bank of Houma; capital, \$10,000. A. F. Davidson, President; Emile Daigle, Vice-President; R. H. Washburn, Cashier.
- ME.... Dover..... A National bank to be established.
- .. Guilford New National bank to be established. Promoters: H. W. Davis, A. W. Ellis.
 - .. Waterville..... Safety Deposit Co.
- MASS... Taunton New Trust Co. established.
- .. West Lynn..... West Lynn Trust Co.
- MICH... Decatur..... State bank to be organized.
- .. Harbor Springs. New bank to be opened.
 - .. Traverse City... Traverse City State Bank; capital, \$100,000.
- MINN... Heron Lake.... Peoples Bank; capital, \$25,000.
- .. Hutchinson Bank of Hutchinson will be started soon.
 - .. Mankato..... Mankato Savings Bank organized.
 - .. Pine Island.... Pine Island State Bank.
 - .. Terrebonne Houma Banking Co. will begin business soon.
- MONT... Choteau Bank of Choteau started by Julius Hirschberg and others; capital, \$25,000.
- NEB.... Fairbury A savings bank has been established here.
- .. Fremont..... Home Savings Bank; capital, \$12,000. Ernest Schurman, President; Chas. H. May, V. P. Francis McGiverin, Cashier.
- N. H.... Centre Ossipee . A Banking and Loan Co. to be established.
- .. Claremont Peoples National Bank. F. P. Maynard, President; G. H. Stowell, Vice-President. Directors: E. J. Tenney, C. A. Forbush (Springfield), W. H. Allen, I. D. Hall, G. H. Stowell, O. B. Way, H. W. Parker, P. A. Johnson (Newport).
 - .. Manchester..... Derryfield Savings Bank; capital, \$100,000. Hon. J. C. Moore, President; Frank Dowst, Vice-President; Charles F. Morrill, Treasurer.

- N. J.... West Hoboken..Hudson Trust and Savings Institution.
- N. Y.... Florida.....New bank to be started.
- ..Little Valley...E. B. Crissey will open a banking office here under the management of Harlow J. Crissey.
 - ..Mt. Morris.....Branch of Genesee National Saving and Loan Association organized here. John M. Prophet, President; G. H. Wiltzie, Vice-President; W. W. Morehouse, Secretary; T. E. Wakeman, Treasurer.
 - ..Rochester.....Security Trust Co. Incorporators: H. W. Sibley, George C. Buell, Jr., Gilman H. Perkins, Frank S. Upton, W. S. Kimball and others.
- OHIO...Alliance.....City Savings Bank. C. C. Davidson, President; Thos. R. Morgan, Sr., Vice-President; W. W. Gilson, Cashier.
- ..Medina.....Savings Deposit Co.; capital, \$50,000.
 - ..Painesville.....Dollar Savings Bank. J. J. Harrison, President; J. R. Morley, Harley Barnes, Vice-Presidents; W. F. Smith, Secretary and Treasurer.
 - ..Sandusky.....Erie County Banking Co. J. C. Gilchrist, President; L. Body, Vice-President; E. L. Coen, Secretary and Treasurer.
 - ..Wakeman.....Wakeman Bank Company; capital, \$25,000.
- PA.... Kittanning.....Michigan Savings and Loan Association. John Wick, Jr., President; Frank M. King, Vice-President; Geo. W. McNees, Secretary; Chas. Neubert, Treasurer.
- ..Washington....Dime Savings Institution of Washington. Those interested are: James I. Brownson, Jr., Dr. Thos. McKennan, Dr. Wray Grayson, J. C. Acheson, N. R. Baker, A. M. Todd and others.
- S. C.... Columbia.....Bank of Columbia. W. G. Childs, President; W. T. Martin, Vice-President; T. H. Gibbes, Cashier.
- TEXAS.. Llano.....Llano National Bank; capital \$50,000.
- ..San Marcos.....Texas Loan and Trust Co.; capital, \$100,000. Directors: Ed. F. Nichols, B. G. Neighbors, Owen Ford, Eugene Green.
- VA..... Bluefield.....New bank opened.
- W. VA.. Charleston.....Fidelity Title and Trust Co.; capital, \$500. Incorporators: James F. Brown, E. W. Knight, Malcom Jackson, Joseph Ruffner, Julius A. Degruyter.
- WASH.. Oakesdale.....Oakesdale Savings Bank; capital, \$100,000. Mr. J. A. Byrns interested.
- ..Palouse.....Palouse Farmers Bank; capital, \$50,000. Directors: J. W. Payne, F. L. Bell, John Calvert, of Palouse; Cyrus Happy, Benjamin Norman, of Spokane.
- Wis.... Union Grove...Union Grove Bank. Apply J. S. Blakey and E. C. Deane, Cashier of Union National Bank, Racine.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from June No., page 990.)

No.	Name and Place	President.	Cashier.	Capital.
4745	First National Bank..... Woodbine, Ia.	Josiah Coe,	H. M. Bostwick,	\$50,000
4746	National Bank of Deming..... Deming, New Mex.	Jonathan W. Brown,	Louis H. Brown,	50,000
4747	Tyler National Bank..... Tyler, Tex..	W. G. Cain,	L. L. Jester,	100,000
4748	Fifth National Bank..... San Antonio, Tex.	Geo. Dullnig,	H. O. Engelke,	125,000
4749	Montgomery Co. Nat. Bank.... Cherry Vale, Kan.	O. F. Carson,	Revilo Newton,	50,000

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4750	New Duluth National Bank.... New Duluth, Minn.	Edw. L. Bradley,	Geo. W. Keyes,	\$50,000
4751	Home National Bank..... Royer's Ford, Pa.	J. A. Buckwalter,	Geo. W. Bowman,	50,000
4752	First National Bank..... McDonald, Pa.	Edward McDonald,	G. S. Campbell,	50,000
4753	Traders National Bank..... Lowell, Mass.	Chas. J. Glidden,	Wm. F. Hills,	200,000
4754	Citizens National Bank..... Belle Plaine, Ia.	E. E. Hughes,	Chas. A. Blossom,	50,000
4755	Rock Springs National Bank... Rock Springs, Wyo.	Timothy Kinney,	Frank Pfeiffer,	50,000
4756	Chickasaw National Bank..... Purcell, Ind. Ter.	Robt. J. Love,	Alfred D. Hawk,	50,000
4757	Riverside National Bank..... Riverside, Cal.	Samuel C. Evans, Jr.,	Francis R. Ross,	100,000
4758	First National Bank..... Spirit Lake, Ia.	B. B. Van Steenburg,	Samuel L. Pillsbury,	50,000
4759	Dulaney National Bank..... Marshall, Ill.	Robert L. Dulaney,	Harry B. Dulaney,	50,000
4760	Traders National Bank..... Buckhannon, W. Va.	William Post,	Paul M. Robinson,	50,000
4761	First National Bank..... Nora Springs, Ia.	Louis H. Piehn,	Herman F. Schnedler,	50,000
4762	First National Bank..... Chartiers, Pa.	Wm. Pickersgill, Jr.,	Herbert A. Johns,	50,000
4763	Midland National Bank..... Washington C. H., Ohio.	Mills Gardner,	Chas. C. Pavay,	50,000
4764	Citizens National Bank..... South Bend, Ind.		Jno. F. Reynolds,	100,000

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during June, 1892.

- ARIZ...Tempe.....First National Bank, by C. G. Livingston and associates.
- COL....Durango.....Smelter National Bank, by C. C. McConnell and associates.
- IDAHO..Bonner's Ferry..First National Bank, by Richard Fry, Bonner's Ferry (Post Office Fry), and associates.
- ..Genesee.....First National Bank, by John P. Vollmer, Lewiston, Idaho, and associates.
- KAN....Elk City.....First National Bank, by C. Q. Chandler, Sioux City, Ia., and associates.
- ME.....Guilford.....First National Bank, by Harry W. Davis and associates.
- OHIO...Sandusky.....Central National Bank, by George F. Anderson and associates.
- PA.DunbarFirst National Bank, by Wm. O. Foley and associates.
- ..Erie.....Manufacturers National Bank, by R. S. Moorhead, Harrisburgh, Pa., and associates.
- TEXAS..Bowie.....City National Bank, by Wade Atkins, Belcherville, Tex., and associates.
- ..Pecos.....First National Bank, by W. D. Johnson and associates.
- WASH..Colton.First National Bank, by L. D. Lively, Athena, Ore., and associates.
- ..EverettMetropolitan National Bank, by Alonzo S. Taylor and associates.
- Wis....Fort Howard...McCartney National Bank, by David McCartney and associates.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from June No., page 904.)

- CAL....Oakland.....Home Savings Bank, now Central Bank, same officers.
 COL....Pueblo.Bank of Pueblo closed.
 " ..Sterling.....Logan Co. Bank closed.
 DAK. S..Dell Rapids....Dell Rapids Bank succeeded by Dell Rapids State Bank.
 " ..Mound City....Campbell Co. Bank (Johnston & Ormiston), now James M. Johnston, proprietor.
 ILL....Creal Springs...Bank of Creal Springs succeeded by Exchange Bank.
 " ..GiffordGifford Bank (E. J. Morse), now E. J. Morse & Son, proprietors.
 " ..Lockport.....City Bank succeeded by State Bank of Lockport.
 " ..Sparta.....Merchants Exchange Bank incorporated.
 " ..Vermont.....J. Mershon & Co. reported closed.
 IND. T..Purcell.....Bank of Purcell, succeeded by Chickasaw National Bank.
 IOWA.. Battle Creek....Battle Creek Bank now Battle Creek Savings Bank.
 " ..Belle Plaine....Bank of Belle Plaine succeeded by Citizens National Bank.
 " ..Nora Springs...Nora Springs Bank succeeded by First National Bank, same officers.
 " ..Ocheyedan.....Ocheyedan Bank succeeded by Ocheyedan Savings Bank, incorporated, same officers and correspondents.
 " ..Portsmouth....Bank of Portsmouth succeeded by State Bank, same correspondents.
 " ..Spirit Lake....B. B. Van Steenburg & Co. succeeded by First National Bank.
 " ..Waukon.....Old Waukon Bank succeeded by Waukon State Bank, same officers.
 " ..West Bend....Bank of West Bend succeeded by Union State Bank, same officers and correspondents.
 " ..Woodbine.....Commercial Banking Co. succeeded by First National Bank.
 KAN....Cherry Vale....Cherry Vale National Bank in hands of receiver.
 " ..Cherry Vale....Montgomery Co. Bank succeeded by Montgomery Co. National Bank.
 " ..El Dorado....Bank of El Dorado (Clancy & Holderman), now Clancy & Clancy, proprietors.
 " ..Erie.....First National Bank in hands of receiver.
 " ..Kiowa.....First State Bank succeeded by Commercial Bank.
 " ..Stafford.....First National Bank succeeded by Bank of Stafford, incorporated, same officers and correspondents.
 MICH..Olivet.Geo. W. Keyes, now Geo. W. Keyes & Son.
 MINN..CanbyCitizens Bank, now Citizens State Bank.
 " ..Fulda.....Bank of Fulda succeeded by State Bank.
 " ..Minneapolis...Washington Bank incorporated, same correspondents.
 " ..New Ulm.....Brown Co. Bank incorporated.
 MISS..Scranton.....Jackson Co. Bank succeeded by British American Trust Co.
 MO....Arrow Rock....Bank of Arrow Rock (Jesse T. Baker), now Florida & Cockrell, proprietors.
 " ..Barnard.....Bank of Barnard succeeded by Barnard State Bank.
 " ..Laddonia.....Bank of Laddonia incorporated.
 NEB....Central City....Platte Valley Bank reported closed.
 " ..Chappell.....Commercial Bank & Deuel Co. State Bank consolidated, title Commercial Bank.
 " ..Ewing.....Bank of Ewing incorporated.
 " ..Grant.....State Bank succeeded by Citizens Exchange Bank.

- NEB....Kearney.....Kearney Savings Bank closing.
 * ..Oakdale.....Oakdale Bank (Ray & Priestley), now Ray & Ray, proprietors.
 * ..Verdon.....Farmers State Bank, now Verdon State Bank.
 N. Y....Albany.....M. V. B. Bull & Co. have discontinued banking business.
 * ..Buffalo.....National Savings Bank reported closed.
 * ..Goshen.....Goshen National Bank reported closed.
 OHIO...Logan.....Peoples Bank reported assigned.
 OKL. T.Guthrie.....National Bank of Guthrie reported closed.
 PA.....Mt. Carmel.....Mt. Carmel Savings Bank reported closed.
 * ..Royer's Ford...Farmers & Mechanics Bank succeeded by Home Nat'l Bank.
 * ..Zelienople.....Amos Lusk & Son succeeded by Lusk & Gelbach.
 S. C....Columbia.....Commercial State Bank succeeded by Bank of Columbia, same officers.
 TEXAS..Richmond.....Fort Bend Co. Bank reported assigned.
 Wis....Sheboygan.....German Bank incorporated, same officers and correspondents.

DEATHS.

BROADWATER.—On May 24, aged fifty-two years, C. A. BROADWATER, President of Montana National Bank, Helena, Mont.

CORNELL.—On June 10, T. W. CORNELL, President of First National Bank, Akron, O.

DOUGLAS.—On June 4, aged forty-eight years, CHAS. A. DOUGLAS, President of First National Bank, Franklin, N. Y.

EARHART.—On May 11, aged fifty-five years, R. P. EARHART, President of Union Banking Co., Portland, Oreg.

HOOVER.—On June 16, aged forty-six years, WM. E. HOOVER, Treasurer of Home Savings Bank, Boston, Mass.

MINER.—On May 30, aged seventy-eight years, A. W. MINER, President of First National Bank, Friendship, N. Y.

NEHER.—On June 10, aged sixty-four years, PHILIP H. NEHER, of the firm of Neher & Carpenter, Troy, N. Y.

PHELPS.—On June 6, aged sixty-nine years, GEO. B. PHELPS, President of Jefferson Co. Savings Bank, Watertown, N. Y.

POWELL.—On May 26, aged sixty years, R. J. POWELL, President of Barnesville Savings Bank, Barnesville, Ga.

REYNOLDS.—On June 13, aged seventy-eight years, M. F. REYNOLDS, President of Rochester Savings Bank, Rochester, N. Y.

STRAUB.—On June 4, aged fifty-five years, NICHOLAS STRAUB, President of People's Savings Bank and Trust Co., Helena, Ark.

THOMPSON.—On June 28, aged eighty-three years, JOHN W. THOMPSON, President of Ballston Spa National Bank, Ballston Spa, N. Y.

TRESSLER.—On May 30, aged seventy-three years, A. J. TRESSLER, President of First National Bank, Bryan, O.

VREDENBURGH.—On June 1, aged seventy-four years, L. R. VREDENBURGH, Cashier of Somerset Co. Bank, Somerville, N. J.

WHEELER.—On June 6, WILLIAM F. WHEELER, President of First National Bank, Olean, N. Y.

WHIDDEN.—On June 5, aged sixty-seven years, STEPHEN A. WHIDDEN, President of First Ward National Bank, Boston, Mass.

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

AUGUST, 1892.

No. 2.

THE BREAK-DOWN OF COMPETITION.

It has been a favorite doctrine of political economy that competition regulates prices so effectually that, in the long run, no producer or exchanger gets more than a fair share, while the consumer also obtains the things desired at fair prices. And this doctrine has long held a prominent place in the economic world. Its efficacy until quite recently has been rarely questioned. And it must be admitted that in a rough sort of a way it has been a potent regulator of prices. It has certainly been more effective than any other doctrine or principle. Whenever the profits in any business have been great, these have tempted others to engage therein, until they sunk to a general level. On the other hand, if competition has been excessively keen, resulting, perhaps, in heavy losses, the weaker have retired from the struggle, thus leaving the field to their stronger competitors, who, in turn, have reaped the benefits of remaining in the field.

But now a strange revolution is going on in the industrial world. For a considerable period there has been the keenest competition in almost every industry except the few which happen to be strongly protected by the law, like patents, or others which cannot be successfully assailed; but in all others in which competition is open, strange things are now seen. Enormous losses have been incurred in the struggle, but instead of resorting to the

old-fashioned remedy of killing out the weaker, a new method of ending competition has been invented by uniting all conflicting interests in what is popularly known as a trust, or in converting them into a single association, conducted by officers in the same manner as ordinary corporations. The old method of destroying the weaker has been discarded, and all are permitted to live, but under entirely different circumstances than before. The industrial warfare is coming to an end in all quarters, but in this very strange manner, and everyone is asking what will be the outcome of this new phase of production.

We have no intention of considering the nature of trusts; whether they are illegal or not, or what shall be done with them; our purpose is to inquire into the nature of these new combinations, and ask what will be their economical and commercial effects on the country.

The first effect that may be mentioned is, that the ablest men who were engaged in the various competing concerns, which are now united, will doubtless manage the new organization. For these are the men who have been the most influential in bringing about the new order of things, and who naturally, by reason of their ability and energy, are the real captains to command the new enterprise. But this is a result of no small importance. Morally, it may not mean superior management, but in other respects it certainly does. It means greater sagacity and energy; in short, a more successful management than characterized that of many of the concerns from which the transformation sprung. And this in turn means larger credit and greater safety in lending. It also means an easier method of ascertaining the credit of the new company, because, as it is a joint stock association, inspection may be more complete, and in many ways its affairs can be more readily understood. In a general way this is no unimportant matter to the banks. Instead of a dozen or more smaller companies, some of them at least having weak credit, one strong concern exists with a large capital, with better credit, with better management and resources of every kind. This is a point of no small moment to lenders everywhere; and it means fewer failures, less wasted capital, a conserving of our industrial resources, and, in short, greater economy and safety in the general work of production.

Another effect is, the ownership of our industrial property is becoming widened; for these new enterprises are organized as joint stock companies, possessing a capital stock which can be, and is, widely distributed. The few who owned the old concerns are now merging them into a single concern whose owners, perhaps, may be counted by the hundreds. Thus, far more persons have come to have a direct personal interest in their management and profits,

who a few months or years ago were simply the buyers and consumers of their products. As the railroads of the country have had numerous owners from the beginning, so now the capital engaged in production is to pass through a new change, and people everywhere are to become directly interested in the work of production as stockholders and directors. This effect, too, is sure to lead to several important consequences. The owners, of course, will be more interested than they were before, and their direct personal interest will lead them to exercise their influence in legislation, in buying and selling, in short, their influence will clearly make itself felt, now that they have become partners in industrial production.

With respect to the influence of these new enterprises on the prices of their products much may be said. Primarily, of course, it is expected that prices will be enhanced by the combinations. In many cases they have been, and the rise which has already taken place is the prelude to future advances. Nevertheless, wisdom clearly shows that the higher prices are raised and profits are gained the more surely will these things invite competition, yet the greed of men is so strong that we fear not many of them will be wise and temperate enough to restrict their profits to moderate figures, though well knowing that by doing so they are all the more sure of holding the field for an indefinite period. Only few men are long-sighted and temperate enough to restrain themselves in this manner; the most of them are seeking for all they can get, and as quickly as possible, and thus far the new combinations, with here and there an exception, are falling into the ways of the short-sighted and greedy who have gone before them. But it is also true, as we have already remarked, that by reaping inordinate profits, new competition is invited, and thus the new combinations will only repeat the experience from which they are now suffering. It should be remembered, too, that every combination of the sort which we are now witnessing, which is successful, stimulates others in different industries to do the same thing, and thus the work of combination is going on with increasing rapidity. Of course, the more general it becomes, followed by an increase of prices, the smaller will be the profits of all of them, as they must pay more for whatever they purchase. By and by, when the industries generally shall have formed new combinations, and prices have been raised all along the line, the industrial world will be pretty nearly at the same level that it was before these combinations began. In the meantime, however, those who entered into the combinations first and raised their prices will doubtless have acquired the largest profits, and those who have entered last will acquire the least profits, while those between the two extremes will have profited in varying degrees. This, in a general way, will be the effect on prices of the new combinations.

Two other effects may be briefly noticed—the prices of labor and raw materials. It is very doubtful if the price of labor advances in the same ratio as that of products, and in this respect the new combinations are likely to score a permanent gain. Perhaps labor may get a portion of the gain, but not its due share, measured by what it has been receiving. Again, the producers of raw materials, by reason of the large number of them and the lack of union, will receive less than ever. This has been one of the first results of the new combinations. The producers of raw materials are quite at their mercy. This is one of the great sources of advantage possessed by the Standard Oil trust. While always keeping an intelligent eye on consumers, and serving them wisely too, it gave the producer of oil only the smallest prices. It was powerful enough to dictate terms to them, and these have generally been hardly living prices. The Sugar trust is now profiting in the same direction by the Standard's experience.

It may be asked, how came competition to be so excessive as to give rise to the new combinations? It has been ascribed to the tariff, and doubtless this reason is correct in some degree. Whatever stimulates prices stimulates, of course, production. A tariff, doubtless, has the effect of stimulating production, and, therefore, of causing the state of things from which we are now suffering. But, it must also be remarked, that in other countries having no high tariffs the same condition of things exists, though, perhaps, in not so marked a degree as in our own. In Great Britain, for example, the iron and steel industries are suffering, and in a most disastrous manner, from the excessive competition which has been raging there for several years. Surely, no one will claim that this competition is due to the existence of a tariff stimulating production, but whatever the cause may be, it is an unhealthy state of things, nor can the equalization of prices, which we have above described, be regarded with much complacency.

Is there no better way of producing an equalization that shall accord with the principles of justice? If the tariff in our country has had the effect of stimulating prices and of producing excessive competition, leading now to combinations of this character, ought it not to be amended? It has always been contended that the object of the tariff was to stimulate production at home, while free competition within would prevent undue gain to the consumer. If the tariff is now used as a means of cutting off competition at home, of unduly raising prices here, the remedy clearly is to amend it and prevent this effect. Certainly it was never intended that the tariff should be used as a means of forming monopolies in our own country. Our legislators cannot be too swift in removing this flaw. If combinations cannot be resisted—and we know of no reason why joint stock companies cannot be formed without limit with respect to

capital—then it is evident that if they seek to wield the power which an enormous capital gives to them, to the injury of the consumer, and the Government has any function whatever to perform, it is at least to prevent the law from operating in this manner. If our tariff is so perverted as to be the means of forming a monopoly and of yielding undue profits, which is precisely the thing it was intended to prevent, then it should be amended or repealed without delay.

This has become one of the most serious questions of the day. The people are suffering, and will suffer far more in the near future. This revolution in the industrial world is more widespread than any other which has ever happened. If our legislators can do nothing to prevent an undue exercise of the power of an enormous capital, it should at least be quick to repeal all laws which will enable that capital to exercise more power than it could otherwise. Surely, the power of capital in industrial affairs is quite enough, without giving it additional power and influence by virtue of law.

Interest on Bank Deposits.—The Importers and Traders' Bank of New York City has reduced the rate of interest on the deposits of country banks kept with this institution one half of one per cent. More than \$200,000,000 of the deposits of the New York City banks are of this nature. If a higher rate is paid than can be earned, there is danger that improper risks will be taken in lending them, in order to escape loss. This is always the danger from paying interest on deposits, and is the principal argument against the practice. But the argument is much stronger in a time like this, when it is very difficult to lend money, or at favorable rates. On the other hand, it is contended that in the past these deposits have doubtless yielded a very considerable profit, and, therefore, it is only fair for the bank to continue to pay them, even if not much can be earned on them. Probably the bank has well considered all sides of the matter before deciding to reduce them; at any rate the movement is favored by other banks. It would be safer if a policy could be adopted of graduating the rate, paying less in times like these and more when money is in greater demand; but competition among banks and similar considerations render the adoption of such a policy difficult.

A REVIEW OF FINANCE AND BUSINESS.

GENERAL BUSINESS SITUATION.

The hottest weather for the longest period has been experienced during the month of July since 1876. This has had a depressing effect on all classes of business except specialties adapted to the heated term; while strikes in the building and building material trades, and the lockout in the iron trade, together with the uncertainty of the fate of the silver and anti-option bills before Congress, until near the close of the month, have all tended to restrict business. The chief exception is in the cotton goods trade, which has shown increased activity and steadier prices. Even wool has been more active at attractive prices, owing to an increased demand from Eastern manufacturers, some of whom have been buying heavily, in anticipation of a reaction from the recent decline. The coal trade has been less active, due partly to the extreme hot weather, and also to the labor troubles in the iron trade, to which has been added a feeling of resistance to a further advance in prices by the anthracite combination, as the sentiment is growing that it has crowded prices up faster than the conditions of business and the country will warrant. Crop conditions, however, have improved almost without exception, as the extreme heat and dry weather have been just what was needed to make up for the cold, late spring and the heavy floods in May, which caused a backward start for everything. Most of the losses due to an unfavorable spring, therefore, have been made up by the summer, and the outlook at home and abroad has steadily improved. The result, however, must be unfavorable to our export trade, with a corresponding decrease in the prospective demand from abroad, and lower prices for our crops than for the past year. This will be especially true of grain, as Europe enters the new crop year with a large surplus left over from the heavy importations of the last crop, while the deficiency on the other side for 1891, has proved to be much less than estimated last fall. A return, therefore, to a period of low prices is almost inevitable, unless unfavorable climatic conditions intervene before the harvest. Winter wheat, however, has been secured already, and is nearly, if not as large a crop as last year, of superior quality, having been harvested under exceptionally favorable conditions during the dry hot weather of the past month. The forcing weather has also brought spring wheat well forward, and that, too, is practically out of danger, except from a wet harvest; while the estimates of a short crop of corn of a month ago, have been materially raised by this exceptionally favorable weather for that crop. The influence of

numerous strikes, however, have been unfavorable to all classes of business, as many allied branches of trade have been affected thereby, and the uncertainty of the outcome of these extended and bitter contests between capital and labor have had an unsettling influence on general business. The approaching end of the annual Congressional nuisance, however, is bringing some relief to the business of the country, as it has forced final action on the silver bill for this session at least, deferred the danger from free coinage, and given financial interest another breathing spell; while it has enabled the opponents of the Anti-Option Bill to kill that measure also for the present session. But like the cat, the silver agitation seems to have nine lives, and it has only lost one of them, thanks to the lower House of Congress; while the upper House is entitled to the credit of deferring, if not killing the Anti-Option Bill. This annual menace to the business interests of the country has been only temporarily abated, however, and the above dangers to commercial and financial interests only postponed until after the Presidential election. But the demands of the people will then be positively obtained upon the other danger to the business interests in the Tariff agitation, which may be definitely settled thereby. The general relief felt in business circles over this rest from tinkering with commercial and financial legislation, is well expressed in their private circle by Hambleton & Co. of Baltimore.

"The defeat of the silver bill, and the approaching adjournment of Congress is reflected in improved values and a more confident feeling prevails. It is humiliating to be compelled to admit it, but it is nevertheless a fact that Congress is an incubus to trade and a deterrer of general prosperity. Politics have taken the place of patriotism, and legislation is based more upon partisanship than upon a desire to enact such laws as will be to the best interest of the country and people. It is to be hoped that after the election the situation may be reversed, but as it now is, the whole country will feel relieved when Congress adjourns."

THE MONEY AND STOCK MARKETS

have been dull, and, in most cases, neglected, and without features during the month. The obstacles placed in the way of the further exports of gold by the New York banks, together with legitimate influences, have brought the outward movement of gold again to a halt, with little prospect of its renewal; since, during the coming month, the movement of grain and cotton should naturally increase with the incoming crops, and bring a larger amount of sterling exchange on the market in the shape of commercial bills. Hence, while there is no longer a way of foretelling the erratic movements of gold, there is little apprehension of

any large outflow in the near future. On the other hand, there has been a more active demand for currency from the grain sections, both to move the new crop of winter wheat, just harvested, and moving freely, and the balance of the old spring wheat and corn crops, either of which are considered larger than usual at this season of the year, while the improved prospects of the new crop of both these cereals has made the farmers, who have been holding the balance of the old crops back for higher prices, free sellers. But this demand for currency from the interior has not been sufficiently general to stiffen the rates of money, to any important extent, although banks have been less inclined to loan their money for long periods.

There has been very little in the railroad situation to stimulate speculation in stocks, while the intense heat has driven operators from town, and the market has been left largely in the hands of the brokers. There has been some foreign buying and selling, both for speculative and investment account, but not of special importance; yet, for the coming month, it is expected that a better demand must spring up, for reinvestment of the large disbursements for dividends and interest during July, while improved crop prospects, and the better earnings of the grain road give holders of securities confidence in the future of values. The disposal of the silver question by Congress has also given more confidence in the future of railway securities; and, with the return of weather, in which a man can think and act, without danger of prostration from the heat, it is believed that there will be a better speculative, as well as investment demand for both stocks and bonds.

THE RAILROAD SITUATION.

In fact, there has been an improvement in railroad prospects and business during the past month. The increased movement of the balance of the old crop, and the earlier movement of new winter wheat than expected, have given the Granger roads plenty of business to do without cutting rates; while traffic on the Trunk lines has been well maintained, though at the expense of the water routes, from the West to the seaboard. The experiment started by the Pennsylvania road, of running entire grain trains through from the West to the seaboard, in competition with water routes, having proved a success, as shown by all rail shipments, from Chicago to the seaboard, of an average of 60,000 tons per week against a little over 40,000 tons a year ago. Of course, this business has been done at what would before have been considered ruinous rates; yet, under the continual reduction in the cost of rail transportation, it is altogether probable that the railroads are making as much upon their grain traffic this year, as formerly at higher prices. Hence, there has been very

little talk of rate cutting, during the past month, especially at the West, although there is no doubt that it has been done among the Trunk lines to some extent, though not sufficiently to result in a general rate war. While the crop prospects are materially improved, it does not necessarily follow, however, that the business of the Trunk lines for the coming year will be proportionately as good as last, compared with the crops of last year, because of the prospective decrease in export demand, for reasons explained under the head of grain markets; Europe having over-imported wheat, during the past year, while her growing crops promise to be a good average, materially reducing the wants that she will be required to fill from this country. This, however, is not likely to apply for the first half of the crop year, to feed stuff, as stocks of corn and oats are light throughout Europe and will need continued renewals from this side for several months to come.

THE COAL AND IRON TRADES.

The coal trade has been as seriously affected by the protracted hot weather as almost any other industry, and there has been an accumulation of stocks at tide water; especially at the New York termini of the coal-carrying roads; yet, prices have been maintained by the anthracite combination, and advanced even, in the face of this decreased demand, with talk of still higher prices in August. It begins, however, to look as if a feeling of hostility on the part of the public towards this combination, is on the increase, and that it will resist a further advance in prices, by pursuing a hand-to-mouth policy in purchase, in the belief that the enhanced price will stimulate production on the part of those outside of the combination, and prevent the pushing of prices to a higher level. This belief is rendered more probable by the interruption in the iron trade, caused by the widespread strikes and lock-outs in Pennsylvania. The outlook for higher prices of coal next fall, are therefore not as flattering as the Combination organs would have the public believe. The following figures indicate that the Combination itself is producing coal largely in excess of a year ago. The Reading lines have produced in round numbers, a million tons more, since January 1st, than last year, which is offset but in part by a decrease of 115,000 tons by the United Railways of New Jersey, 342,000 tons in the Clearfield region, and 251,000 tons in the Huntington and Broadtop region. The production of pig iron, however, for the first six months of this year has been astonishingly large, considering the condition of the iron trade, and especially in those branches connected with railroad building and equipment; which can only be accounted for, by an increased consumption for structural and building purposes, owing to the decreased cost of late years, which has made it possible to sub-

stitute iron in place of timber for a great variety of purposes hitherto unknown. That these new uses of iron, however, should be sufficient to offset the decreased demand for railway purposes was a surprise even to those in the trade. The effect of the strikes, or lock-outs, at the Carnegie works has been to very much reduce the demand, or rather the supply for building purposes, and the prices for structural iron have been advanced in consequence; while it has been very difficult to fill orders at all, owing to the fact that most manufacturers in this branch of the trade have sold their production ahead to contractors and builders throughout the country, and especially in Chicago, for the World's Fair building.

THE GRAIN MARKETS.

The grain trade has reached the end of one of the most disastrous crop years, to speculators and shippers, that has been experienced during the last decade. And, so crippled by their losses have the importers of Europe become, and so loaded down with stocks, that had cost much higher prices, that there is little prospect of more than a hand-to-mouth demand from the other side for the coming crop year. Indeed, speculation for foreign account in our grain markets, has almost ceased, instead of being the chief element, as it has been the past few years. From being the best informed people in the trade, as is usual, they have been the worst deceived the past year, as to Europe's deficit and the world's supply; and they have anticipated wants that have not been found to exist, and are left with a larger surplus of the old crop on hand, at the beginning of the new, than since old times, before the grain-carrying trade of the world was done by steam, requiring the carrying of large stocks. This applies, as before stated, chiefly to food products, or wheat and flour, and not to feed stuffs, or corn and oats. We are now back to nearly old bottom prices, in force prior to the last two years of short crops, here and in Europe, respectively, and the outlook to the agricultural interests, for the coming year, are but little better than they were on the last big crop year previous to last, when, for the first time, in the history of this country, they were so large, as to be a curse to the producer, who could not, except under favored circumstances, realize the cost of production; and, the more he had to haul to market, the poorer he was. This will not yet apply, as stated above, to corn and oats, which are still bringing remunerative prices to the farmers. Wheat, also, is not yet back to the lowest figures, prior to the short crop of 1890; but flour of the lower grades has gone below the bottom figures of that period, and the European markets are overloaded with purchases made months ago, for forward shipment, at prices from 15 to 25

per cent. or more over present figures, and new business for export on flour, except for special high grade for England, and for the West Indies and South America, has been at a standstill for the past month. A fair business has been done in wheat, however, to supply the wants of English millers for mixing purposes, with native and Indian wheats, chiefly for our hard varieties and mostly spring, while the Continent has scarcely been in our market for anything until Number Two Red Winter wheat, which is chiefly taken by the latter, has lost the premium over Number One Northern Spring, at which it has been selling for nearly a year past. The price of corn has already begun to follow that of wheat, under the improved prospects of an average crop, while oats and other grains have sympathized. The tendency on all is to still lower prices, unless damage occurs between now and harvest to the crops of this country or of Europe.

Provisions have been advanced sharply the past month on reduced stocks, moderate receipt of hogs and big home consumption of meats, while the packers of Chicago have been engaged in a concerted movement to Bull prices to a higher level that would afford them a manufacturer's profit, which they claim they have not been able to obtain for the last six months, as the prices of hogs have remained relatively higher than those of products. But at the close of the month improved corn crop prospects and a decline in that cereal, has apparently, put a quietus on this Bull campaign, and prices have begun to recede on the reduced consumptive demand at the enhanced prices, and on the lower prices of corn. Beef products have been a little more active, and prices of choice grades of cattle have advanced one cent to one cent and a half a pound at the seaboard, on account of a little more than the usual scarcity of the better kinds at this season of the year, but inferior grades have already lost the improvement, owing to a larger movement of Range and Texan cattle, and only the best grades are likely to maintain any improvement. The cotton market has been influenced largely by the weather and crop prospects, like those for grain, the damage by late planting and floods in the spring having been largely made up by the hot and forcing weather of the last month, so far as condition is concerned, though the acreage was supposed to be largely reduced; but like the early estimates of the corn crop, the idea of a short crop has been abandoned, with too heavy a load of the old crop left over on this side and in Europe to give encouragement to buy for higher prices; though present prices are too low and consumptive demand at home too good to encourage speculation for the short account.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Conventions of State Bank Associations.—Several conventions of State bank associations have been held within a few weeks at which papers of varying merit were read and discussed. Two classes of topics engaged the attention of bankers quite generally. One class related to questions of a legislative character in which bankers are directly interested; and the other class related more especially to the internal managements and the relation of banks to each other in business ways. In the former class fall the questions of usury, taxation, and bank note circulation, while in the latter the question of bank collections is always one of the most important. The statement of these two classes of questions shows clearly the possibilities of State bank associations in the future. The question of usury is a very old one, and, perhaps, not much that is new can be elicited; nevertheless, the stirring of the question is important for educational purposes. Even if bankers do understand perfectly the futility of such legislation there are many who do not, and, consequently, usury laws, in some form, remain on the statute books in most of our States. It is necessary, therefore, that the reasons against such laws should be presented again and again until the people are ready to repeal them. Progress of this kind is slow but sure, and, therefore, if a banker has nothing new or brilliant to say on the subject, it is doubtless true that every essay of the kind makes an impression in some quarter and serves a useful purpose. With respect to the question of the taxation of banks, every one knows how crude legislation is, even in the States which profess to be the most advanced, and how much amendment is needed. One theory of bank taxation, which seems to be very popular with many, is to tax them to the utmost, without any regard to the equality of the burden. In some States, though, it cannot be denied that the banks have been powerful enough to influence legislation in their favor, and have not paid their full share. But in all the States the existing laws are crude enough, and bankers are doing a good work at these conventions in describing the inequalities that exist, and in showing what ought to be done in the way of amendment. The subject of bank collections is important to banks everywhere, and yet almost every banker comprehends the situation. With respect to plans of union in the large cities for collecting these checks, several have been devised which are feasible enough if the banks would agree to put them in operation; but the difficulty is of another kind. Bankers know that the present mode, or lack of mode, is somewhat costly and troublesome; on the other hand, not many of them are inclined

to enter into any plan of union with other banks, for the simple reason that they either are getting, or expect to get, some advantage by collecting themselves; and it cannot be denied that in many cases there is a compensation, either directly or indirectly, for doing the work. Some banks, for example, have a very large number of checks to collect for insurance companies, but they are paid for this by holding a large deposit from which a profit is obtained. In other cases, if a bank is getting no reward for collecting checks, it expects to receive one in the future, and is unwilling to surrender the advantage by co-operating with other banks. Thus, at bottom, it is clearly enough seen that the real difficulty is competition among banks. Every bank is desirous of getting and retaining as much business as possible, and it fears that any plan or co-operation for collecting checks, however economical, may result in losing some present or prospective business. Whenever the banks cease to have this feeling towards each other, it will not be difficult to establish a plan of joint collection. But so long as the spirit of keen competition and jealousy continues not much headway is likely to be made with any one's plan, however perfect it may be. Very likely the banks may conclude, some day or other, that no one is likely to get more than its fair share of the business than another; and that nothing will be lost or jeopardized by uniting with the others in the work of collecting checks, and whenever this conclusion is reached, a plan will be speedily devised and put in operation, but not before.

State Bank Note Circulation.—The opinion in favor of reviving State bank note circulation is growing in many quarters. Of course, this cannot be done without repealing the National tax of ten per cent. on the circulation of such issues, which was intended to be, and is, prohibitory. The old doctrine of having an automatic currency which shall adjust itself to the wants of trade has been revived. There is not much truth in the doctrine, though it is plausible enough. The old State bank circulation never was automatic in practice, though it was perfectly so in theory. Those who are familiar with the history of that circulation well know that the banks generally sought to get out as much as they could and to keep it out, by every device within their power, as long as possible. When the National bank notes were first circulated, the banks used to exchange currency with one another at distant points in order to prevent the bills from getting back easily to their original home for redemption. It is now said that since the establishment of so many railroads and express companies it would be an easy thing to send currency back to its original home for redemption if there was an excessive issue, but we have no doubt that the issuers would be quite as sharp as the redeemers, and

the old system which brought so many calamities in its train, if again adopted would be followed by more and worse evils than before. There is no foundation for the assumption that the world has become more honest and less selfish than it was thirty or forty years ago; it has doubtless become somewhat wiser, but the desire for money-making, and as rapidly as possible, and without regard to the future, is just as strong as ever, and we have not the slightest doubt that a return to the system would bring far worse evils than were formerly experienced. But the question has assumed a new phase. Many who are opposed to the existing silver policy, and who believe that, if continued much longer, we shall be landed on a silver basis purely, think they see in the re-adoption of such a system the way to destroy our present silver policy; that of the two evils less is to be feared from a State bank note circulation than from the continuance of the present silver system. The advocates of the re-adoption of the State bank note circulation are ready to oppose the silver system, if thereby they can secure the adoption of the other; in other words, they are willing to exchange the silver system for this. It must be clearly seen, therefore, that the two systems are enemies, and the success of the State bank system means the downfall of the other, and it is possible that on such an issue the advocates of the State bank system may triumph. For our own part we believe that the continuance of the silver system, with modifications already described, would be safer. We believe that the continued use of silver, based on its actual valuation, would be a much safer currency to issue than a paper one. For, thus modified, the silver currency would have a real basis of value behind it, while the other currency would probably be a credit currency with but very little value behind it, and in many cases none whatever. Before trying to return to the State bank system, would it not be wiser to try the silver system thus modified? In the June number we set forth quite fully how such a modification could be effected, as we believe, in a practical manner. Why not try this?

Fees for Trustees of Savings Banks.—The last Legislature of New York provided that trustees of savings banks may be paid for their services. Much may be said for and against this legislation. On the one hand, the trustees, especially of the larger institutions, often spend a great deal of time in performing their duties, and why should they not be paid like other officers who perform a valuable service? But, from the beginning, these institutions have had a philanthropic side. The best men thus far have served without reward, or the hope of reward, and doubtless they would continue to do so in the future if they were not paid. Probably in many cases they would refuse to accept any fee if it were

offered to them. The president of one of the leading savings banks of New York City, in a recent review, thus expressed himself on the subject: "Those banks have always been regarded to a great extent as eleemosynary institutions; none of the trustees have been permitted to receive any fees for attendance at their meetings, or for appraising real estate on which the banks made loans, or for any services of that character. Any person regularly employed, of course, by a savings bank, such as a president, or cashier, or clerk, who gave his whole time to the service of the bank, could be paid a salary the same as any other employe; but, as I have already said, no trustee or director could receive any fees or emoluments whatever for acting simply in that capacity. Under the new law, however, that is changed. Now, trustees appointed to examine the vouchers and assets, or to investigate and report on investments in bonds and mortgages, may receive such compensation as a majority of the trustees may deem just and reasonable. This, it will be seen, is a very wide door. Under that provision of the law all the trustees of a savings bank may be given a large and permanent income. They can appoint themselves on different committees to examine vouchers and assets, etc., and fix their own compensation. The law ought at least to have mentioned some maximum rate of pay for such duties, and prescribed some limit to which the practice might be carried. I think it will readily be seen that this provision of the law is a very dangerous one for the depositors in our savings banks."

Investigation of National Bank Failures.—Senator Morrill has introduced a resolution into the Senate, as a substitute for the one presented by Senator Chandler, providing for the investigation of the Maverick Bank failure. It authorizes the appointment of five Senators to inquire as to the existing laws relative to National banks and the customary proceedings in case of failure to furnish sufficient protection to depositors and stockholders of such banks. The committee is authorized to report to the Senate, by bill or otherwise. The substitute is a great improvement on Senator Chandler's resolution. An investigation of the nature proposed by Senator Morrill, if thorough, would be very useful.

Banking Profits Abroad.—In the old country, not less than in the new, the recent conditions in commerce and finance are not found favorable to banking profits. Says the London *Economist* of July 2d: "The conditions of the half-year which has just closed do not augur well for bankers' profits. The financial world has been very inactive, and there has been a lack of that business enterprise which in less dull times gives so much employment to the funds under the control of bankers. Money, as we know, has

been a drug in the market throughout most of the half-year. The average bank rate for the six months has been only £2 13s. 4d., against £3 10s. 8d. in the first half of 1891, and the contrast between the outside market rate of the two periods even greater, the rate being only 19s. 8d. for best three months' bills in the past half-year, against £2 14s. 8d. in the corresponding period. Bankers have thus been able to command only very low remuneration for the use of their funds, and they have not been able to reduce their allowances on the deposits placed under their control to a corresponding degree, the average deposit rate in the past half-year being only 14s. 9d. lower than the average for the first half of 1891—£1 5s. 3d., as compared with £2."

Railroad Building and Business.—The *Railroad Gazette* analyzes the effect of railroad building on general business, with reference to the fact that the year 1892 will not produce in the whole country more than 3,000 miles of new track. "It is apparent," says the *Gazette*, "that it will not do to base one's hopes of better times on the money to be spent in building of new railroads; but the influence of this element on the sum of the business and industrial situation is considerably overrated. The difference between 13,000 miles and 3,000 of new railroad built in a year (that is, between 1887 and 1892) is, no doubt, enough in itself to affect general business. It is a difference of, say, 1,000,000 tons of rails, more than half of our total product in 1890, and two-thirds of that of 1891. It is a difference of, say, 1,500,000 tons of iron for joints, bolts, and spikes. But all of the rails made in the United States only consume about one-fifth of the pig iron made, and less than half of the steel ingots produced, and the figures given above are based upon a phenomenal year, 1887, when about 13,000 miles were built. In only one other year in our railroad history did the new construction reach 10,000 miles. If, then, we compare the first half of 1892 with the first half of 1891, when we find the falling off in railroad building to have been 500 miles, we shall see that it affects but an insignificant percentage of our total iron and steel production. Similarly, it might be shown that the effect of the decline upon the locomotive and car shops, and upon the general railroad supply business, is, after all, relatively small. The fact is, the business of building railroads has ceased to be a great factor in any one year's prosperity. To a few people it is of immense importance, but to the nation it is a small affair, and we must look elsewhere for the causes of any business depression. The falling off in new construction is only a symptom and not a cause."

The Chinese Commercial Crisis.—It will be two years in November since the collapse of the house of Baring set in motion what has

been aptly termed "a wave of disaster" which has flowed to every shore. Country after country has since experienced a tremendous financial crisis. The Argentine Republic has met with a terrific blow, from which it cannot hope fully to recover in less than a quarter of a century. Brazil has been hard hit commercially and financially. Uruguay has experienced a serious banking crisis. Portugal is bankrupt. In Australia the financial crisis has been exceedingly severe and prolonged, and thousands of firms have failed, many banks have suspended, and trade has been demoralized. In Cape Colony, that tip end of the huge African Continent, where England rules, the bankers and merchants have gone through a general liquidation. And now a disastrous crisis is felt in the great commercial cities of the Chinese coast, Hong-Kong and Shanghai. In these two cities the depreciation of property is conservatively estimated at \$25,000,000. The banks are loaded with commercial paper, the value of which no one can estimate. For several years past there has been a regular "boom" in Hong-Kong in the formation of companies to carry on all sorts of business in North Borneo, the British Straits Settlements, and Tong-King. A large amount of capital was subscribed by the British merchants and bankers of Hong-Kong, which, as is well known, is one of the dependencies of the British crown. But the companies organized did not produce returns, and the people who had borrowed money of the Hong-Kong banks to invest in the shares of these companies could not meet their obligations. Two months ago the New Oriental Bank closed its doors, and one other institution, the Bank of China, only managed to pay a dividend by overvaluing its stock of silver.

Production of Silver in Bolivia.—The commercial value of the produce of the Bolivian mines for 1890 is estimated at \$11,020,691, or £2,298,060. The greatest silver-producing mine of Bolivia is the Huanchaca, yielding 656,192 50 marcs in 1890, representing at the commercial value of silver in the country during the calendar year (10 40 bolivianos per marc 0.985 fine) 6,124,402 bolivianos, equal to \$4,247,485 in United States currency. Allowing 40 per cent. of this amount for working expenses, which is a little more than the estimates, it is safe to conclude that the Huanchaca realized to the stockholders last year 4,094,642 bolivianos, or \$2,544,891 in United States currency. During the last thirteen years of uninterrupted prosperity, the Huanchaca Company has realized a clear profit of 26,000,000 bolivianos, while the increasing richness of the ores mined gives promise of largely increased profits, and justifies the prediction that Huanchaca shares, now worth 3,600 bolivianos each, will ultimately reach 5,000 bolivianos per share.

DEFEAT OF THE FREE COINAGE ACT.

The producers of silver have been strenuous in demanding the free coinage of silver, believing, of course, that by the adoption of such a policy a larger market would be opened for their product, and that a better price would be obtained. In short, the aim of this legislation from their point of view was to improve the business of silver production. If the policy would not have produced the desired effect, they certainly cannot blame those who were opposed to it, who are desirous of enhancing the value of silver by every lawful and proper measure. Is it true that free coinage would have had the effect desired? Producers could get all their silver coined under such a law, but would the price of it have been enhanced, and if not, would their condition have been improved?

It has been strenuously contended by many who have studied the subject that the effect of the measure would have been to put this country on a monometallic basis of silver, leaving the value of silver essentially unchanged. It is true that the silver owners would have been able to put all of their product into the form of lawful money, and which they could have exchanged for other products—land, bonds, grain, etc., at some figure; but it is also true that they can sell all of their silver now, every single ounce, and, therefore, the only question is by what policy or method can the largest price for their product be obtained, and can any more, or as much, be obtained for it under a free coinage policy as under some other?

It must be acknowledged by all who look into the silver question, even a very little way, that the chief difficulty with the price of silver to-day is a production largely exceeding the demand. Far more silver is produced than the world needs. Furthermore, the exploitation of the mountain ranges has brought to light the existence of large quantities of silver which can be obtained in the near future. There is also a growing dislike to the use of silver as money. Whether this dislike is wise or not, it certainly exists; almost all the nations of the old world have a dread of silver, and it is going into disuse. Austria, poor as the empire is, has determined to adopt a gold standard, and a bill providing therefor has just passed the Austrian Parliament. Poor as Italy is, the policy has been adopted within a few years of establishing a gold standard, and so in Europe generally it cannot be denied that the thoughts and aspirations of the Governments, whatever the people may think, turn toward the adoption of a single gold standard, and of using silver less and less as a monetary medium.

Now, whether these Governments are wise in their policy or not, no one can question that the disuse of silver, and the fear that it will be used still less in the future, has a serious effect on its price, while the increased output is also diminishing its value. Both facts are equally apparent, and are working the same unquestionable effect.

Again, any measure the object of which is to enhance the value of silver must also have the effect of increasing the production of that metal. It must be seen that a remedy to be effective must be of a double nature. First, in the way of increasing the use of silver, and, secondly, in diminishing the production. The fatal flaw in the four million dollar law was, though enlarging the demand for silver as money, it stimulated the production of silver in a much greater degree, and the result is a diminution in its value, which shows no sign of abatement. And this must be the case with every remedy of that nature. To enhance the value of silver, therefore, two things must be kept in view—an enlargement of the use, and a diminution in the quantity of the product. Any measure falling short of these two ends is likely to fail in its purpose.

It would seem as though an international agreement to use more silver is the most hopeful way out of the present situation. Whether this end will be accomplished remains to be seen. The dangers of attempting to use only gold as a standard we have described on many occasions. We do not believe there is gold enough for this purpose, and if some metal must be used as an adjunct, that metal pre-eminently is silver. If the international conference should fail to achieve this result, the only remedy is to diminish the output. Will free coinage, or any other measure short of this, bring about the desired result? This certainly is the opinion of many silver mine owners, and we confidently believe that no other method, in the event of the failure of the international conference, will have the result desired. Restrict the output, close up the poorer mines, and then the price of silver would undoubtedly advance. This remedy the mine owners can apply themselves; and in the end must they not look to themselves for relief rather than turn to the Government for it? Surely, if our Government alone, or all the Governments of the world united, cannot or will not devise a remedy of the nature mentioned, of using silver more freely, then the mine owners, whether they will or no, must close their weaker mines, for the simple reason that they will become bankrupt should they attempt to run them. In other words, either actual or impending bankruptcy must be the remedy in the end, if no other can be found. This is a very hard remedy, but it has been applied on numberless occasions, and very likely must be again applied, whatever be the disposition of the silver mine owners.

BANK COLLECTIONS.*

COLLECTION OF NOTES AND DRAFTS PAYABLE AT THE COLLECTING BANK.

The notes and bills of exchange which banks receive for collection are collected of their depositors and non-depositors. Different principles apply to the two classes, as will appear during the inquiry.

No authority is conferred on a bank by drawing a note payable there (*Hills v. Place*, 48 N. Y. 520; *Caldwell v. Evans*, 5 Bush 380; *Adams v. Hackensack Imp. Commission*, 44 N. J. Law 638; 1 Dan. on Neg. Inst. § 326), but when it has been left for collection the bank becomes the agent for the payee to receive payment. (*Ward v. Smith*, 7 Wall. 447; *Caldwell v. Evans*, 5 Bush 380; *Lazier v. Horan*, 55 Ia. 75, 80; *Adams v. Hackensack Imp. Commission*, 44 N. J. Law 638; *Wallace v. M'Connell*, 13 Pet. 136; *Garland v. Salem Bank*, 9 Mass. 408, 414; *Alley v. Rogers*, 19 Gratt. 366, 383; *Bank v. Kenan*, 76 N. C. 340.)

But when a note is thus drawn, "the common understanding is," says Mr. Justice Dickman, "that the appointment of the bank as the place where the note is to be paid implies the agency of the bank in making the collection." (*Bridge Co. v. Savings Bank*, 46 Ohio St. 224.) And if the money is not received when it is payable, a bank has authority to receive it any time while the note remains in its possession. (*Alley v. Rogers*, 19 Gratt. 366, 383.) In one of the older cases, Mr. Justice Johnson said concerning a note which was made payable at a bank: "The obligation imposed on the maker was that he would be at the bank on the day on which it fell due, and pay the contents to the payee, raising by implication an obligation on the part of the payee that he would be there to receive it." (*Bank v. Flagg*, 1 Hill S. C. 177, 178.)*

* Where money is received from the maker to be applied on a note the bank becomes his agent. This principle is so clearly settled that a statement of the authorities will suffice. *Caldwell v. Cassidy*, 8 Cow. 271; *Williamsport Gas Co. v. Pinkerton*, 95 Pa. 62; *Wood v. Merchants' Sav. etc. Co.*, 41 Ill. 267; *Ward v. Smith*, 7 Wall. 447; *Hills v. Place*, 48 N. Y. 520; *Freeman v. Curran*, 1 Minn. 169; *St. Paul Nat. Bank v. Cannon*, 46 Minn. 95; *Caldwell v. Evans*, 5 Bush 380. In *Adams v. Hackensack Imp. Commission*, 44 N. J. Law 638, 647, Depue, J., said: "Such a deposit, without some act of appropriation by the banker, does not create any privity of contract as between the banker and the holder of the paper. *Hill v. Royds*, L. R. 8 Eq. 290; *Johnson v. Roberts*, L. R., 10 Ch. App. 505; *Barned's Banking Co., ex parte Massey*, 22 L. T. (N. S.) 853; *Bank of Republic v. Millard*, 10 Wall. 152. The only effect of the payor having the money at the bank where the paper is payable is, that it

* Copyrighted by HOMANS PUBLISHING COMPANY.

But suppose both note and money are received by the bank, what is the nature of the agency? The bank is a double agent, and may act for both parties, for the duties to be performed are not conflicting. If, however, they are neglected, then some difficulty may arise in determining the rights of the parties. Thus in *Cody's case* (*Cody v. City Nat. Bank*, 55 Mich. 379), a firm had been in the habit of indorsing in blank the drafts or checks which were drawn to their order and depositing them in a local bank as money for which they could draw. A check was thus left without instructions and forwarded to the defendant bank for collection. At the same time the local bank asked the other to give credit therefor and to remit in currency for a considerable amount; both things were done. Indeed, after crediting the sender and making a remittance as requested, only a small balance was due to the former. The second bank forwarded the check to Chicago for collection, but before it had been collected the local bank failed. The depositor then telegraphed the Chicago bank to stop payment. The order was regarded and the check was returned to the defendant bank. The depositor claimed to be the owner of the check, and so did the defendant bank which had remitted on the faith of it to the failed institution. The court decided against the depositor. The decision was clearly right, for, as the bank had not performed its duties, the note was not paid.

In *Sutherland v. First Nat. Bank* (31 Mich. 230) the maker of a note left money with his bankers, directing them to pay it, and by so doing made them his agents for that purpose. They gave him credit for the money on their books, and sent for, and received the note from the holder, which was indorsed to their order for collection. They did not remit the money, and let the note remain uncanceled among their collection papers, and after a time failed. The note was held to be not paid. It had been sent to them for a specific purpose, and no title to it had even passed to them on their own account. They did nothing as agents of the holder. (*Ogden v. Dobbin*, 2 Hall 112.)

Suppose the money for the payment of a note, which is payable at a bank, is left with it previous to, or on the day of its maturity, and some time afterward the bank fails, who shall lose?

will enable him to plead a tender in exoneration of interest and costs of suit, provided he makes his tender good by payment of the principal into court. *Caldwell v. Cassidy*, 8 Cow. 271; *Haxtun v. Bishop*, 3 Wend. 13; *Carley v. Vance*, 17 Mass. 389; *Ward v. Smith*, 7 Wall. 447; *Wood v. Merchants' Sav. etc. Co.*, 41 Ill. 267; 1 Am. Lead. Cas. 478. When the real owner of a note delivers it to a bank and authorizes it to collect the proceeds and to apply the same toward payment of his indebtedness to the bank, and it does not receive or credit the note as collateral security, it is merely the agent of such owner. *Prescott v. Leonard*, 32 Kansas 142.

The payor was ready at the time specified, but the payee was not. The courts generally have declared that the payor's liability continued, for the reason that the holder was not bound to present the note at the place where it was payable. (*Adams v. Hackensack Imp. Commission*, 44 N. J. Law 638; *St. Paul Nat. Bank v. Cannon*, 46 Minn. 95.) In one of the cases, by the holder of a coupon (*Williamsport Gas Co. v. Pinkerton*, 95 Pa. 62), the court declared that he was under no obligation to present it within a reasonable time, and that the bankers, at whose place it was payable, were the agents of the obligors, and, consequently, notwithstanding their failure before the presentation of the coupon, though after its maturity, the obligor's liability continued. (Other cases, *Sebag v. Abitbol*, 4 Maule & Sel. 462; *Turner v. Hayden*, 4 Barn. & Cres. 1; *Ward v. Smith*, 9 Wall. 447.) It is true that the same court, speaking through Mr. Justice Huston, remarked on the authority of *Wallace v. M'Connell* (13 Pet. 136), "that if the maker, or acceptor, where the money is payable at a bank, pays the money into the bank to the credit of the payee on such note or bill, and leaves it there, it will be a complete discharge, though the money should be lost by robbery of the bank or otherwise." (*Filler v. Beckley*, 2 Watts & Serg. 458.) The same doctrine has been maintained in Iowa (*Lazier v. Horan*, 55 Ia. 75.) In that State if the payor's money is really at the place specified for payment, and the note or other obligation is not presented, the loss of the money falls on the payee. A similar opinion has been expressed by the Supreme Court of North Carolina. (*Nichols v. Pool*, 2 Jones Law, 23, 26.) And is not this rule just? The maker of the instrument selects a place for payment, an appointee to receive the money, and also fixes the time for receiving it. These conditions are understood and accepted by the holder of the note. If, therefore, the payor is ready at that time, and delivers the money to the appointee, who it is agreed is to receive it, ought not the payor to be released from further obligation? The courts maintain that the bank is the agent of the payor when the money is delivered to it, but is not the agent of the payee until the note is delivered for collection. In truth, is not the agency created, so far as the payor and payee are concerned, at the time of the delivery of the note? And why, we repeat, if the payor fulfills his part, should his liability continue? In States maintaining the rule that a collecting bank is liable for the acts of its sub-agent, it is nevertheless not liable for the neglect of a bank at which a note is made payable, to which it is sent, on the ground that the selection was the act of the original parties to the instrument, and not when it was sent for collection. Should not then a bank, which is thus designated as the agency at which an instrument is payable, be regarded as the agent of the maker as well as of the

holder; and when the former has performed his promise and paid the money to the agent, and at the time prescribed, should not his obligation cease? As the Supreme Court of Iowa has so well said: "While it is a general rule that payment of a note or bill should be made to the actual holder, yet when the parties have contracted that payment may be made at a bank, it means that payment is to be made to the bank." And applying this principle to the note in controversy the court continued: "The parties to the note did not contemplate that the payee should make a journey from Indianapolis, and meet the maker at Allen's bank, and there receive his money from the hands of the maker, and deliver him the note." If the holder of a check neglects to present it within the period declared by law after receiving it, he assumes the risk of loss. Why should not the same principle apply to the holder of a note? Is the bank any more of an agent to pay the check than to pay the note? If the maker of the check has no money on deposit the bank is under no obligation to pay; but if he has, it must pay; and the risk from non-presentation within a proper time is the holder's. The bank does not know that a check has been given until it is presented; its ignorance is quite as great concerning the existence of checks drawn on itself as of notes made payable at the same place. In both cases when money is deposited the bank knows and expects that it will be withdrawn, and the function which it performs for the maker of the note and the check is the same.* (*Smith v. Essex*

* In *Lazier v. Horan*, 55 Ia. 75, 80, the court said: "We think that upon principle the defendant in this case should be wholly disregarded, and we will briefly state our reasons therefor: The note was made payable at a bank; these institutions are depositories of money; they are also collection agencies through which by much the larger part of that branch of the business of this country is transacted. When a note is made payable at a bank, the parties expect the collection to be made through the bank. It is true, when the defendant deposited the money, the bank while holding it was technically the agent of the depositor. But the money was deposited for the holder of the note, and it required no act of the depositor to authorize the bank to pay the note." See also *Story* on Prom. Notes, §§ 228, 356; *Rhodes v. Gent*, 5 Barn. & Ald. 244; *Armistead v. Armisteads*, 10 Leigh 512, 525; *Games v. Manning*, 2 G. Greene 251, 255; *Williams v. Triplett*, 3 Ia. 518; *State v. Shupe*, 16 Ia. 36.

In *Nichols v. Pool*, 2 Jones Law, N. C. 23, 26, in discussing the question whether a demand at the place of payment is necessary to maintain the action, it is said: "The more reasonable construction is that they [the words payable at, etc.,] were used to convey the idea that the parties had made an arrangement suggested by considerations of convenience on both sides, according to which the money is to be paid at a particular place on a given day, or, in other words, assurance given by the debtor and accepted by the creditor, that the money will be then and there paid. . . . Considered in this sense, the effect is that the creditor does not lose his debt by failing to apply for it at the precise time and place, but may afterwards recover it; while, on the other hand, the debtor may, if in fact he had the money at the time and place, use that fact as a defense

Co. Bank, 22 Barb. 627; *Howard v. Ives*, 1 Hill 263; *Montgomery Co. Bank v. Albany City Bank*, 7 N. Y. 459; *Colvin v. Holbrook*, 2 N. Y. 126; *Commercial Bank v. Union Bank*, 11 N. Y. 203; *Allen v. Merchants' Bank*, 22 Wend. 215, 225.) Says Mr. Chief Justice Brickell (*Moore & Co. v. Meyer*, 57 Ala. 20, 21): "A bank or banker receiving paper for collection is the agent of the creditor and not of the debtor. The loss resulting from the omissions or defalcations of the agent must be borne by his principal, who trusted him, and not by those dealing with him while in the line of his duty and authority." Thus, M. & Co. drew a bill of exchange payable to their own order on M., who accepted the same, and sent it to the bankers with whom he kept his account for collection. It was their custom to pay all claims if his deposit was sufficient, and charge them to his account. The drawee deposited money to pay the bill in question, but the bankers failed before it was applied. The bill was declared to be not paid, and the drawee was liable for the amount. This decision is quite in harmony with the Michigan one, for in fact the bill was not paid. But if the bankers were the drawer's agent, why should they not suffer for the consequences of their agent's neglect? Why should the drawee suffer? He left the money on deposit, it is true, in his own name, but he directed that it should be applied. The court say that the drawee could have withdrawn the money before it was applied. Very true, he could have countermanded his order; but if they did apply it they certainly would be protected in their application. (See *Wilkinson v. Bradley*, 54 Ala. 677, and authorities there cited.) The bank was agent for both parties, and neglected to serve both, and neither applied the money, nor paid the note. Perhaps the law should leave the parties as though it had acted for neither. As the collecting bank is the agent of the payee, the misapplication of the money collected by it cannot prejudice the maker, for he has absolutely discharged the debt. Again, if the holder of a note should sue the bank to recover the money deposited by the maker to pay it, he would not be precluded by the action from afterward suing the maker himself. (*St. Paul Nat. Bank v. Cannon*, 46 Minn. 95.) The remedies would not be inconsistent, for the prior suit would contain no allegation or admission of the payment of the note or a discharge of the maker's obligation. When a bank receives a note for collection which is payable at another bank, it may send the note to the second bank, which then becomes the payee's agent. (*Blakslee v. Hewitt*, 76 Wis. 341.) All reasons for holding the second bank as the agent of the first in such a case vanish,

and defeat the action by bringing the money into court, or if he deposited it and it was lost by the failure of the bank, he can put the loss on the creditor, because of his laches in not calling to get it."

because all parties to a note know at all times when making or negotiating it that the payee bank is to collect it. The agency is neither unknown nor selected by the bank with which it may at first be deposited. It should be regarded simply as a transmitter to the bank at which it is payable.

In *Blakslee v. Hewitt* this was done, but it was contended that the cashier of the first bank had no authority from the payee to present the note to the other bank for payment, but the court declared that the facts showed there was an implied authority for the first bank to send the note to the other for collection. "This authority is implied from the facts of the case." (*Stacy v. Dane Co. Bank*, 12 Wis. 629.) The second bank was unquestionably the agent of the first to collect the note for the owner. "Where a bank is designated for the payment of a note the common usage is for the holder to send it to such bank for collection, and the party bound for its payment can call and take it up. Under such circumstances the bank becomes the agent of the payee to receive payment."

In *Mt. Vernon Bridge Co. v. Knox Co. Sav. Bank* (20 N. E. R. 339 Ohio, 1889) the savings bank sent a note which it held as collateral security (which was proper) to the El Paso Bank, at which it was payable, for payment. At that time the Texas bank was in good standing. The savings bank in due time received a letter from the other dated the day of the maturity of the note, stating "that it had not been paid." This information was promptly conveyed to the bridge company. Very soon afterward the El Paso Bank did receive the money, but failed before sending it to the savings bank. The bridge company sought to recover of the savings bank, on the ground that it was liable for the conduct of the other bank, thus treating it as a sub-agent for whose acts in Ohio, where the controversy occurred, the agent is liable. (*Reeves v. State Bank*, 8 Ohio St. 465). But the court decided that the El Paso Bank was the appointee of the bridge company, mentioned in the note, and therefore the savings bank was not responsible for its conduct.

In Indig's case (80 N. Y. 100) a different question was presented. A note was deposited in a Brooklyn bank which was payable at a bank in Lowville. The note was sent to the Lowville bank through the mail for payment. Not having been paid, the holder sued the Brooklyn bank, contending that the Lowville bank was negligent, for which the Brooklyn bank was responsible, because it was a sub-agent to make the collection. But the court decided that the Lowville bank was not the sub-agent of the other, and therefore was not responsible for its conduct. Said Mr. Justice Rapallo: "The note, in so far as it relates to its presentment at the bank, and the duties of the bank in respect to it, was equiv-

alent to a check drawn by the maker upon the bank where the note was made payable. (*Etna Nat. Bank v. Fourth National Bank*, 46 N. Y. 88.) The bank owed a duty to its customer to pay it on presentation, if in funds. The defendant used the United States mail to make the presentment, and by this means caused it to be presented to the bank for payment on the day when due. It did not deposit it there for collection. If there had been indorsers, it might be argued that the defendant constituted the bank of Lowville its agent to notify the indorsers of non-payment, but even this is very questionable, for it was held in a similar case that if the proceeds were not remitted the paper should be deemed dishonored and notice of non-payment should be given by the bank which sent it. (*Bailey v. Bodenham*, 16 C. B. (N. S.) 288. . . . It was recently held by this court in the case of *The People v. Merchants & Mechanics' Bank of Troy* (78 N. Y. 269) that, by sending a check through the mail to the bank on which it was drawn, the sender did not constitute that bank its agent to receive the proceeds." These cases are not an invasion of the rule, for in both of them the notes were declared to be presented through the mail for payment. Surely, if they had been presented by the holders, or by an officer of another bank, it would not be contended that, in performing the mere act of paying, the payee bank was acting as agent for the holder or presenter.

In *Steinhart v. National Bank* (29 Pacific R. 717) the owner of a note left it with a bank in San Francisco, which sent it to the defendant bank in Sacramento, at which it was payable. The maker was a depositor of the bank. The note was charged to him and a check on a San Francisco bank was drawn for the amount and inclosed in a letter directed to the sending bank and deposited in the post-office. By thus charging the note to the depositor, his account was overdrawn, but this was known by the bank. There was no mistake or error, therefore, in paying the note and in charging the same to the depositor's account. Later in the day the depositor failed, and the bank immediately recovered the letter, canceled the check, and returned the note to the sending bank. The owner sued the Sacramento bank, but failed to recover. The court seemed to be of the opinion that the bank had made a mistake in paying the note, and therefore it had a right to cancel the check. When the note was presented for payment by a clerk of the bank the maker wrote a request thereon to charge the same to his account. This was done. "The request," said the court, "was therefore, in effect, that the defendant advance or loan to him the money to make the payment, and trust him till he could pay it back." If we are to judge by what the maker wrote, he requested the bank to pay his note,

and to charge it to his account. And this is precisely what the bank did. The fact that the maker was a customer of the bank did not, in the least, affect its relation to the sender of the note. The bank, strictly speaking, was acting as a double agent—for the sending bank in collecting the note and also for the maker in paying it. There was no impropriety in thus acting, and in many cases this relation is sustained by the collecting bank. The bank, therefore, having received the note, charged the amount to its depositor and inclosed its own draft in payment to the sending bank. The fact that by thus charging the note to the customer his account was overdrawn was immaterial to the sending bank. Banks not infrequently do this, and it has been held again and again by the courts that a bank is bound by its action in making such payments. If any authority is needed, the following cases may be cited. (*Whiting v. City Bank*, 89 N. Y. 363; *American Exchange Nat. Bank v. Gregg*, 28 N. E. Rep. 339 Ill.; *Oddie v. National City Bank*, 45 N. Y. 735; *City National Bank v. Burns*, 68 Ala. 267.) In a recent case (*First Nat. Bank v. Devenish*, 25 Pacific R. 177, 178) Reed, C., remarked: "Banks are required and for their own safety are compelled to know at all times the balance to the credit of each individual customer, and they accept and pay checks at their own risk and peril. If, from negligence or inattention to their own affairs, banks improvidently pay when the account of the customer is not in a condition to warrant it, and if by mistake a check is paid when the drawer has no funds, the bank must look to the customer for rectification, not to the party to whom the check was paid."

THE JUDICIAL MEANING OF THE NATIONAL BANK ACT.*

[CONTINUED.]

SEC. 447. **Priority of claims.**—A creditor whose claim arises from a fraudulent transaction, perpetrated by the officers of a bank in contemplation of the immediate wrecking of the institution, has no priority over the other creditors. (*Citizens' Nat. Bank v. Dowd*, 35 Fed. Rep. 340.) Thus the president of a bank in the ordinary course of business received checks on another bank in the same State and paid for them by giving the owner a draft on a bank in New York, which the president knew would not be paid. The depositor sought to recover the full amount on the same ground that a depositor can recover his deposit which is taken

* Copyrighted by HOMANS PUBLISHING COMPANY.

when the insolvency of the bank is impending. (See § 382.) But he was obliged to share with the other creditors. (*Citizens' Nat. Bank v. Dowd*, 35 Fed. Rep. 340.)

SEC. 448a. On several occasions depositors have sought to have their deposits set off against their notes which matured after the failure of the bank which kept them. In equity this could be done. (See *Pomeroy's Remedies and Remedial Rights*, § 163; *Ford's Adm. v. Thornton*, 3 Leigh 695; *Kentucky Flour Co.'s Assignee v. Merchants' Nat. Bank*, 13 S. W. Rep. 910; and see *Camden Nat. Bank v. Green*, 45 N. J. Eq. 546 and note, and 45 *BANKER'S MAGAZINE* 569.) And Mr. Justice Nixon has pronounced the same opinion. (*Balbach v. Frelinghuysen*, 15 Fed. Rep. 675, 685.) A different opinion has been expressed by Judge Sage concerning the operation of the National banking law. In *Armstrong v. Scott* (36 Fed. Rep. 63) a note had been made by Scott, indorsed by a bank and discounted by the Fidelity National Bank. At the time of the failure of the latter bank the note had not matured. The indorser bank had a large deposit in the other and sought to have it set off against the note. Said Sage, J.: "It is contended for the defendant bank that the receiver took the note subject to all equities. That is true as to all equities in favor of the defendant bank and against the note at the time when the receiver took possession. The note was not then due. When it was delivered to the Fidelity National Bank, and the proceeds credited to the defendant bank, the note and the proceeds thereby became at once separate, distinct, and altogether independent each of the other. The fact that the defendant bank voluntarily left the greater portion of the proceeds on deposit to be applied towards payment of the note did not create any equity against the note, for the defendant retained the right to draw out the entire balance at any time. . . . The National bank law, recognizing only the Government and the bank note holders as preferred creditors, makes all payments of money by a National bank to its shareholders or creditors after the commission of an act of insolvency, or in contemplation thereof, 'with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another, except in payment of its circulating notes,' utterly null and void. (Rev. St. U. S., § 5,242.) The provisions of sections 5,234 and 5,236 require the receiver to take possession of the assets of the bank, collect all debts, sell all property, real and personal, and pay over all money so made to the Treasurer of the United States, subject to the order of the Comptroller, whose duty it is, after refunding to the United States any deficiency in redeeming the notes of the bank, to make a ratable dividend of the money among the creditors. The unmistakable force and meaning of the law is to place all unsecured

creditors upon the same footing of equality. When the plaintiff was appointed receiver, the defendant was in the list of unsecured depositors, to whom payment, the bank being insolvent, was prohibited. The defendant had then no right of set off, nor any equity against its note, not then matured, which passed to the receiver. To allow the set-off, now that the note has matured, and thereby make payment in full to the defendant in part discharge of its obligation to the bank, would be contrary, not only to the policy of the law, but also to the plain meaning of its provisions." (*Stephens v. Schuchmann*, 32 Mo. App. 333; *Venango Nat. Bank v. Taylor*, 56 Pa. 14.) The opposite opinion has been maintained by Judge Butler. (*Yardley v. Clothier*, 49 Fed. Rep. 337.) He says: "There is, of course, no room to doubt that Congress contemplated the equal distribution of assets, without preference, among creditors, just as the assets of all insolvent concerns and individuals are distributed. If, therefore, allowance of the set-off proposed here would result in such preference, it is prohibited; not more especially, however, by the statute than by the general rule of law applicable to all similar cases. . . . If the note had matured when the insolvency occurred it would not be pretended that the set-off would confer a preference—that the defendant should pay his debt, as other debtors are required to do, and take a dividend on his credit, as other creditors must. And yet the circumstance that it was not due is obviously immaterial to the equities involved."

SEC. 448b. Set-off in claim of Government.—It was formerly maintained that the Government could retain enough money in its control belonging to an insolvent bank to discharge the bank's indebtedness, but the Supreme Court of the United States have expressed a different opinion. (*Cook County Nat. Bank v. United States*, 107 U. S. 445.)

SEC. 453. Interest.—When a dividend has been ordered and paid on some claims while others are in adjudication, the legality of which are afterwards established, interest should be paid on them from the date fixed for paying the dividend until they are paid, in order to equalize the amounts received by all creditors. (*Armstrong v. American Exchange Nat. Bank*, 133 U. S. 433.)

SEC. 463. Suit by agent.—The Federal courts have the same jurisdiction of suits by and against agents to whom the assets of a bank are sometimes turned over by a receiver as they have of suits by and against receivers. He is the successor of the receiver, and can be substituted as a new party to a suit which the receiver began. (*McConville v. Gilmour*, 36 Fed. Rep. 277.)

SEC. 472. When is a bank voluntarily dissolved.—A bank is not dissolved by a resolution of two-thirds of the shareholders to go into liquidation, certified to the Comptroller of the Currency, nor

is its capacity thereby affected to collect its assets and close its affairs. (*Merchants' Nat. Bank v. Gaslin*, 41 Minn. 552.) Nor is its right to sue affected by the appointment of trustees by the shareholders to close its affairs, as the title to its property is not vested in them. (*Id.*)

SEC. 472a. Voluntary liquidation. Authority of bank officers.—When a bank goes into voluntary liquidation the officers have no authority to transact any business in the name of the bank which can bind its shareholders, except that which is implied in the duty of liquidation, unless authority has been expressly conferred by them. In the case of the Manufacturers' National Bank, Blatchford, J., said: "No such express authority appears in this case, and the power of the president or other officer of the bank to bind it by transactions after it was put into liquidation is that which results by implication from the duty to wind up and close its affairs. That duty consists in the collection and reduction to money of the assets of the bank, and the payment of creditors equally and ratably so far as the assets prove sufficient. Payments, of course, may be made in the bills receivable and other assets of the bank *in specie*, and the title to such paper may be transferred by the president or cashier by an indorsement suitable to the purpose in the name of the bank, but such indorsement and use of the name of the bank is in liquidation, and merely for the purpose of transferring title. It can have no other effect as against the shareholders by creating a new obligation. It does not constitute a liability, contract or engagement of the bank for which they can be held to be individually responsible. Every creditor of the bank, receiving its assets under such circumstances, knows the fact of liquidation, and is chargeable with knowledge of its consequences; he takes the assets received at his own peril; he is dealing with officers of the bank only for the purpose of winding up its affairs. If he accepts something in lieu of an existing obligation looking to future payment it must be from other parties. It is not within the power of the officers of the bank without express authority, by such means to prolong indefinitely an obligation on the part of the shareholders, which is imposed by the statute only as a means of securing the payment of debts by an insolvent bank when it is no longer able to continue business, and for the purpose of effectually winding up its affairs. This is the very meaning of the word 'liquidation.'" (*Schrader v. Manufacturers' Nat. Bank*, 133 U. S. 67, affg. 36 Fed. Rep. 843. See S. C. 121 U. S. 27, revsg. 17 Fed. Rep. 308.)

SEC. 472b. Voluntary liquidation. Rights of shareholders.—When a National bank has gone into voluntary liquidation, and all except one of the shareholders have united in organizing a new one, and the omitted shareholder has accepted dividends from the

old bank, he cannot claim to be a shareholder in the new bank and entitled to share in its earnings. (*First Nat. Bank v. Marshall*, 26 Ill. App. 440.) Nor can he complain of the sale of the assets to the new when knowing of their deposition and accepting his share of the proceeds. (*Id.*)

BANK EXAMINATIONS.

SEC. 476. **Authority of bank examiner.**—A National bank examiner is not an officer or agent of a bank, and has no authority to act for it in any manner, and cannot bind it by any act. (*Witters v. Sowles*, 32 Fed. Rep. 762.)

SEC. 477. **Examinations by shareholders.**—Has a shareholder the right to examine the bank in which he owns shares? This question has been answered affirmatively by the Supreme Court of Alabama. By a State law this right is accorded to shareholders in corporations established by the State. But is this operative in National banking associations? The court declared that it is. Says Somerville, J.: "There is nothing of a hostile or discriminating character in the operation of the statute under consideration. Its purpose is to place all stock corporations on precisely the same footing; to confer on the stockholders of each the right to know their financial condition; to ascertain whether they are being honestly and profitably conducted, or otherwise; and to keep a supervision over all the details of management which can in any way affect the value of the stock, including the good fame and financial integrity of the institution. The statute unquestionably applies to banks incorporated by the States. We see no reason why it should not also apply to National banks. . . . We can see nothing in the right conferred on a stockholder to inspect the books of a National bank which in any manner tends to impair or destroy the utility of such banks as fiscal agents of the Federal Government, or which interferes with the purposes for which they were created. Nor can we see anything in the laws of Congress, which, even by implication, forbids the exercise of such a right by stockholders. These laws, it is true, authorize the appointment of bank examiners by the Comptroller of the Currency, and provide that these institutions shall not be subject to any visitatorial powers other than those which are authorized by Congress, or 'vested in the courts of justice.' (Rev. St. U. S. paragraphs 5,240, 5,241.) But these provisions were not intended, in our opinion, to curtail, or even to regulate, the rights of stockholders, or their relations toward the bank. An act of Congress will not be construed to take away the jurisdiction of State courts, or to remove any favored persons or institutions from the equal operation of State laws, unless the purpose to accomplish this result is unambiguously expressed, or implied by necessary intendment." (*Winter v. Baldwin*, 7 So. Rep. 734.)

TAXATION.

SEC. 488. **Present law for taxing banks.**—The authority of a State to tax National bank shares is wholly from the act of Congress. (*First Nat. Bank v. Fisher*, 45 Kan. 726, 728; *M'Culloch v. State of Maryland*, 4 Wheat. 316; *Osborn v. Bank*, 9 *Id.* 738; *Weston v. Charleston*, 2 Pet. 449; *People v. Weaver*, 100 U. S. 539, 543. See valuable note on the power of the State to tax National banks, 19 Fed. Rep. 381.)

SEC. 490. **Territorial taxation of National banks**—We have now reached the subject of taxation. The right to tax the shares of National banks in the Territories has been declared by the local courts, and the Supreme Court of the United States has affirmed their decision. (*Talbott v. Silver Bow County*, 139 U. S. 438, affg. *Board v. Davis*, 6 Mont. 306.)

SEC. 491. **Only shares can be assessed.**—National bank shares cannot be valued in the aggregate, and in this manner put on the tax list in the name of the bank. They must be listed in the names of their respective owners. Says Minshall, C. J. I.: "A bank does not own the shares of its capital; it owns the capital, and the shares are owned by its stockholders. The capital is corporate property; the shares in it are the individual property of its shareholders. It is the latter that may be taxed, and not the former. No authority is conferred to assess them for taxation against the bank itself; and to so assess them would be but another form of taxing the capital of the bank itself, which no one contends could be done without the authority of Congress." (*Miller v. First National Bank*, 46 Ohio St. 424.) And in many cases it has been declared that the assessment of the entire stock of a National bank *in solido* against the bank itself is invalid. (*National Bank v. City of Richmond*, 42 Fed. 877; *First Nat. Bank v. City of Richmond*, 39 *Id.* 309; *First Nat. Bank v. Fisher*, 45 Kan. 726.) The shares must be assessed as the property of the individual holders. (*First Nat. Bank v. Fisher*, 45 Kan. 726; *Hershire v. National Bank*, 35 Iowa 272.) But a State may tax the shares of a National bank owned by another bank, as though they were owned by an individual. (*Bank of Redemption v. Boston*, 125 U. S. 60. See § 495.)

Bank stock cannot be assessed to a bank, but the shares can be to the shareholders. If, however, an error should be made in thus assessing it to the bank instead of the shareholders, it can be corrected. When this is done, and the shares are afterward separated, and the proper amount of the tax is assessed to each shareholder, he cannot complain or have the collection of the tax enjoined, because the entry was first made on the books against the bank instead of against the shareholders. (*Small v. City of Lawrenceburg*, 128 Ind. 231.)

SEC. 491a. Taxation of capital and surplus.—On one occasion (*Pollard v. First National Bank*, 47 Kan. 406) a National bank was assessed on its capital and surplus. Before making the assessment, however, four-fifths of the surplus was divided and credited to the accounts of depositors "to remain as a deposit in said bank unless otherwise ordered by the board of directors." It was claimed that the object of this disposition of the surplus was to escape taxation, but the contention was not sustained. The tax itself was unquestionably illegal, as it was not imposed on the shares.

SEC. 491b. How much shares are to be valued.—For tax purposes bank shares are worth their market value at the time of making the assessment, and not what their value may be at the contemplated closing of the bank's business, and division among the shareholders. (*National Bank v. City of New Bedford*, 29 N. E. Rep. 532.)

SEC. 491c. Alternative tax on shares or value of stock.—In Pennsylvania a National bank can elect to collect a six-mill tax on the par value of the shares from the shareholders, or pay a three-mill tax on the actual value of its stock. It has been decided that when a bank thus pays the three-mill tax within the legal period an additional tax cannot be assessed and collected for school purposes. (*Gorley v. Bowlby*, 8 Pa. Co. Ct. Rep. 17. See valuable note on the taxation of National bank shares, 13 Fed. Rep. 433.)

SEC. 495. Assessment must be against shareholders.—The shares are taxable to the owners and the bank is not liable primarily, or as the agent of the shareholders under the National law for the payment of the tax levied on the shares. (*Albuquerque Nat. Bank v. Perea*, 25 Pacific Rep. 776.) But if the bank through its proper officers voluntarily list such shares for taxation as the property of the bank, and the same are thus taxed, equity will not enjoin its collection in the absence of a proper application to the statutory tribunals which are established to grant relief in such cases. (*Id.* See § 491.)

SEC. 495a. Assessment of surplus.—In *People v. First Nat. Bank* (17 N. Y. Supp. 315) the surplus of a bank was assessed against the bank, but by the request of a shareholder it was distributed among and assessed to the shareholders. The bank afterward contended that the assessment was illegal. Macomber, J., in reviewing the action of the assessors, concluded that no error had been committed: "First, that the relator, the bank, has no pecuniary or other interest in this case, for the reason that the erroneous assessment made against its surplus was taken from the rolls of the assessors before the application for the writ was made, and this act was done in pursuance of the objections made to the

original assessment by its financial officer; and, *secondly*, that the relator is estopped to deny that the distribution and reassessment of the surplus capital stock of the bank among the stockholders was unlawful, illegal, or erroneous, for the reason that such distribution was made at his special instance and request."

[TO BE CONTINUED.]

FREE COINAGE OF GOLD AND SILVER BULLION.

Mr. Charles W. Stone, of Pennsylvania, from the Committee on Coinage, Weights, and Measures, submitted the following as the views of the minority to accompany the Senate bill providing for the free coinage of gold and silver bullion, and for other purposes.

The standard silver dollar of the United States contains about 67½ cents worth of silver bullion. It obtains its value as a dollar, not, as the majority state, "because the law so declares," but because the Government pledges its faith to exchange it on demand for what in all markets and among all nations is worth 100 cents—the dollar of gold.

The free and unlimited coinage of silver by this country alone would inevitably destroy the power of the Government to maintain such exchange, and the silver dollar must fall to its bullion value. This involves as an inevitable result the disappearance of gold from our currency and our descent to a monometallic silver basis, carrying with it the practical repudiation of 30 per cent. of our indebtedness, the scaling down of the wages of labor, of the income of pensioners, and of the proceeds of trust funds and savings deposits. It would foster distrust, hamper credit, and result in the general demoralization of business enterprises.

The reasons for these conclusions were stated with considerable fullness and care, and sustained by reference to the experience of other nations, and to the financial history of this country.

The views then submitted related to a bill more elaborate in detail, more radical and sweeping in its provisions than the one now under consideration; and while the facts then stated and the general doctrines affirmed in connection with that bill are reaffirmed as a correct statement of general principles, and are substantially applicable to the present bill, yet it is so different in its form, scope, and immediate effect as to merit and demand a somewhat detailed examination.

It is a conglomeration of crudities and absurdities, clumsy in structure, in part uncertain of interpretation, and, as a whole, dangerous and pernicious in operation and effect.

Its title defines it as "An act to provide for the free coinage of gold and silver bullion, and for other purposes," but the most careful scrutiny and the most liberal interpretation fail to disclose the slightest provision for the coinage of gold, or even the most immaterial change in the existing law on that subject. The title then is entirely misleading and deceptive as to the character of the bill.

The bill itself in its form and details is open to very serious objections.

It contains three distinct propositions :

First: Any person—citizen or foreigner—the owner of any silver bullion, no matter where produced, whether in this country, Mexico,

Australia, or South America, may deposit $371\frac{1}{4}$ grains of such bullion—worth to-day and purchasable anywhere for less than 70 cents—at any mint in the United States and without charge have it coined for his own benefit into a dollar. This 70-cent dollar the Government agrees to receive, and forces every citizen to take in payment of all debts and in liquidation of all contracts as 100 cents.

Under the existing law, which explicitly declares it to be "the established policy of the United States to maintain the two metals on a parity with each other," and under the established policy of the Treasury Department, this dollar is exchangeable at the United States Treasury for a gold dollar, which in any market will now purchase 545 grains of pure silver. This transaction, if the operation of the proposed law meets the expectation of its friends, results substantially in a donation by the United States to each person depositing $371\frac{1}{4}$ grains of pure silver in any of its mints of about 170 additional grains of silver. This is practically a bounty or subsidy by the Government to the depositor at its mints of silver bullion. It is effected by the contribution by the United States of the cost of coining the dollar, which is on the average $2\frac{1}{2}$ cents, and the loaning of the faith and credit of the Government by its practical and substantial guaranty that this 70 cents of silver, duly coined, shall at all times be redeemable in, and exchangeable for a gold dollar worth 100 cents. This bounty or donation is of no inconsiderable or trifling sum, and if the same amount of silver bullion should be coined annually as is now purchased by the Government, it would amount to about \$14,000,000 per year. Is such a donation or bounty consistent with an honest and economical administration of the Government? And if it is to be made at all, on any theory, is there the least excuse or justification for extending its benefit to other than our own citizens or beyond the products of the mines of the United States? Why should the citizens of Great Britain receive from the United States \$1.29 for an ounce of silver which he can purchase in the markets of London or elsewhere for 88 cents?

In other words, why should the whole people, sustaining and represented by the Government, pay to the small number of people producing or owning silver bullion nearly one-half more than they can obtain for it from any one else? This is class legislation of the most vicious character. If the Government must furnish a market at an enhanced price to the owner of silver bullion, why not to the owner of nickel or copper, which are also used in coinage? Why not for the coal of the miner or the cotton, wheat, or corn of the farmer? What peculiar and overpowering claim has the holder of silver bullion, perchance the alien and foreign holder, on the bounty and generosity of this Government, over our citizens who work our mines or till our fields?

If this bill is to operate as its friends claim it will, it must produce the results we have stated. They are predicated on the assumption that the silver dollar can be kept at par and continue to circulate interchangeably with the gold dollar. Is this possible? The teachings of history, the experience of other nations, and our own as well, and the laws of trade, all point to a different ultimate result. The cheaper and poorer currency always displaces and drives out the more valuable and better.

That result is at once reached whenever the available gold in the United States Treasury is exhausted, and hence the exchangeability of the silver with the gold dollar ceases. Then gold at once goes to a premium, becomes a commodity, is hoarded and exported, and mostly disappears from circulation. The \$600,000,000 and more of gold now forming part of the currency of this country ceases to circulate, and

whether exported to foreign countries or hoarded in our own it is no longer part of our circulating medium, and our currency is thus greatly contracted. Does any one need to be told the result?

Can we lose two-fifths of our circulating medium and escape the dread evils of financial collapse and panic? The export of a portion of our store of gold a few months ago produced an apprehension that nearly ripened into a panic, and no sane man can mistake or doubt the result of the withdrawal of the entire gold portion of our currency.

In the readjustment of values which must follow, the silver dollar will have only its intrinsic and commercial value. Measured by the standards of commerce, or the amount of any other commodity which it will buy, it will have but about two-thirds the value of the gold dollar, and we shall suffer all the evils of a debased, depreciated silver monometallic currency.

Second: The proposed bill repeals *in toto* the law of July 14, 1890. Under this law the United States has purchased 102,740,000 ounces of silver and is now purchasing 54,000,000 ounces per year, which is more than the entire product of all the mines in this country, after deducting the amount here used in arts and manufactures. For the silver thus purchased, it has issued \$101,712,071 of Treasury notes authorized by this law of July 14, 1890, and of these \$98,051,657 are in actual circulation.

It is provided by this law of 1890 that—

"Such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be re-issued, and such notes, when held by any National banking association, may be counted as a part of its legal reserve."

Now, it is proposed to absolutely repeal this law with no saving clause as to these \$100,000,000 of outstanding notes. Suddenly they cease to be legal tender; they are no longer lawful reserve for National banks; they cannot be re-issued by the Government. The obligation of the United States to pay them undoubtedly remains, and its continued obligation to receive them in payment of customs and taxes can hardly be questioned, but their character as money, so far as it is dependent on their legal tender quality as between individuals, is gone.

One great ground of complaint by the friends of silver coinage has been, not simply that the coinage of silver was stopped in 1873, but that then, or by the law of 1874, the silver dollar was discredited by being robbed of its legal tender character for all sums above \$5; and yet at that time there was not a single silver dollar in actual circulation in this country. Now, the very men who are still shocked at the outrage of discrediting the silver dollar which had no actual existence, deliberately propose to discredit and debauch one hundred million dollars in currency in actual circulation by taking from them their legal tender character. This sudden and arbitrary destruction of the legal tender quality of so much money is an unnecessary, unwise, rash, and reckless act.

The zealous friends of the bill will endeavor to argue that such is not the effect of the repeal of the law of 1890, but assertion is not proof, and whether they are right or wrong, no authoritative decision of the question can be reached for months, if not years. What is the result? Doubt is thrown on the character of these notes and distrust of them produced among the people. The Government still receives them for taxes and customs, and they speedily reach the National Treasury. According to the United States Treasurer's report, 49.1 per cent. of all

the customs received at the port of New York in the month of June last was paid in these notes. Repeal the act of July 14, 1890, and not only will this percentage be largely increased, but not one dollar of these notes once reaching the United States Treasury can be reissued. Rapidly the whole \$100,000,000 will gravitate to the National Treasury and there they will remain. Such sharp contraction of the circulation must almost certainly precipitate a financial crisis, carrying with it disaster and ruin.

Again, the law of 1890 expressly declares it to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law." In the earnest effort of this Government to maintain a bimetallic currency, it was deemed prudent and wise to put on the statute books this solemn and explicit declaration of the purpose of this Government to maintain the parity of the two metals upon the legal ratio, and hence the free and full exchangeability of all its coins of the same denomination. It proclaimed to the world the substantial guaranty of the United States that every one of its dollars should be, or be made equal in value to its every other dollar.

This solemn declaration of the policy of this Government, so clearly stated in the law of 1890, it is proposed to blot from the statute book, and when that is done the conclusion is but logical that the Government has ceased to adhere to the policy thus declared.

Third. The proviso of the bill directs the Secretary of the Treasury "to proceed to have coined all the silver bullion in the Treasury purchased with silver or coin certificates."

There is no bullion in the Treasury answering this description. "Silver certificates" and "gold certificates" have a well understood and specific meaning in monetary legislation, and both may be embraced in the general term, "coin certificates." But neither have been used in the purchase of an ounce of silver bullion. There are in the Treasury about 79,000,000 ounces of silver bullion, costing \$76,669,151, purchased under the law of July 14, 1890, and paid for by the "Treasury notes" specifically described and provided for in that law. Treasury notes are in no sense "silver or coin certificates," and are as clearly and distinctively different from them as a man's promissory note is from a certificate of his good character. The one imports and defines an obligation; the other simply states a fact.

The only authority for the coinage of this silver bullion so purchased is in the law of July 14, 1890. When that is repealed no authority to coin it is left. The proviso of this bill does not give it, for the bullion in the Treasury does not meet the specific description. The power exists nowhere else, and there is no authority to sell it.

But, assuming, as is claimed by the friends of the bill, that the words "coin certificates" should be read "Treasury notes" or that the trust character attaching to this bullion as security for the payment of the Treasury notes will authorize its coinage, what is the practical effect? The Secretary of the Treasury must "proceed" to coin this bullion. Its coinage supersedes, and, until complete, displaces the coinage provided for elsewhere in the bill. It will take two years or more at the present mint capacity to accomplish it. Meantime the Government neither purchases nor coins any silver owned by private parties.

The addition to the currency now arising from the purchase of $4\frac{1}{2}$ million ounces of silver per month by the United States ceases. We have thus to contemplate the sudden arrest of the monthly additions of nearly \$4,000,000 of Treasury notes to the currency of the nation, with no substitute provided, and the rapid withdrawal of the outstanding

Treasury notes in connection with the progressive contraction of the National bank currency.

But why coin this bullion in the Treasury merely to pile up the coined dollars in its place? This involves a cost to the Government of about \$2,000,000. There are already 357,189,251 idle silver dollars in the Treasury of the United States and only \$56,799,484 in actual circulation, and the utmost effort of the Government is powerless to keep in actual circulation over 60,000,000 silver dollars. Why coin what the people will not have, simply to cumber the Treasury?

When the two years necessary to coin the Government's store of bullion have elapsed what will be the condition of affairs? With our present mint capacity we will begin to coin about 40,000,000 silver dollars annually. This will take about 31,000,000 ounces of silver, whereas we are now withdrawing, by purchase, 54,000,000 ounces a year, so that instead of absorbing the entire net product of our American mines as we now do, we shall utilize only 60 per cent. of it.

So long as no increase is made in our mint capacity and no additional legal provision is made for the deposit of silver bullion and the issue of silver certificates therefor, the annual addition to our circulating medium under this bill will not exceed that now made under the law of July 14, 1890, but the profit represented by any differences between the market value and the coinage value of the silver coined will go to the bullion owner instead of to the Government, as now.

The repeal of the law of July 14, 1890, and the consequent stopping of Government purchases, will throw upon the general market the entire output of our mines now absorbed by the Government, and a material depression in the market value of silver bullion must naturally follow.

Then, from the bullion producer who sees his product shrinking in value day by day, and from all classes who begin to feel the grinding burdens of an artificially contracted currency, will come the clamor for some change as a relief. This is likely to be offered by the friends of this bill in supplementary legislation providing for the unlimited deposit, instead of coinage, of silver bullion, and the issue therefor of the notes of the Government, and we should reach finally, through the disastrous throes of financial stringency and distress, the plane of an unlimited and depreciated silver currency, contemplated by House bill 4,426, on which this House has already passed its practical condemnation.

Finally, not the least disastrous result of the passage of the pending bill would be the obliteration of all hope of any practical results from the international monetary conference soon to be held. It is a matter of public knowledge that the leading nations of Europe have already accepted an invitation to take part in such international conference, with a view of discussing and reaching an agreement, if possible, on a common ratio between silver and gold, and a basis on which the mints of the commercial nations of the world can be opened to the coinage of both metals on equal terms.

The time is ripe for such conference. European nations are beginning to realize the inadequacy of the world's supply of gold to meet the necessities of increased population and business. The growing necessity of additions to their currency to satisfy the demands of extending and increasing trade is perceptibly felt. If we can retain our present proportionate share of the gold of the world, this necessity for more currency among the nations of Europe will induce a very serious consideration of the feasibility and wisdom of a rehabilitation of silver as a money metal among such nations.

If, on the other hand, by the unrestricted and unlimited exchange of

gold for silver at a great excess over its real value, we drain ourselves of our own supply of accumulated gold, and transfer it to the gold-using nations of Europe, it will relieve their apprehensions for many years, and long, if not indefinitely, postpone any concurrent action by them with us for the establishment of a bimetallic world's currency.

The passage of this bill will encourage the belief by European nations that we have adopted a policy that must inevitably let loose our accumulations of gold to drift into their pockets, and their participation in the International Monetary Conference will be but perfunctory and fruitless of results. Place this bill on the statute books and the last hope for the real, substantial, permanent, and profitable remonetization of silver as a factor in a bimetallic currency passes away.

COLLECTIONS.

CIRCUIT COURT, D. MASSACHUSETTS.

Franklin County National Bank v. Beal, Receiver.

Plaintiff and defendant banks for several years had acted as agents for each other in the collection of checks, notes, and drafts, the practice being for each to credit the other for checks when received, and for drafts and notes when advised of their payment. When a check was returned unpaid after being credited, the amount thereof was charged back again. The amounts thus collected were mingled with the general funds of the bank. Plaintiff sent defendant a note for "collection and credit," which, on maturity, was paid by a check, and credit was immediately given on the books. But defendant failed, and the check passed into the hands of the receiver. *Held* that, in view of the course of dealing, the two banks stood in the relation of debtor and creditor with respect to the amount of the check, and it became a part of the assets of the bank.

COLT, Circuit Judge.—This case was heard upon demurrer to the bill of complaint. The defendant is the receiver of the Maverick National Bank, which closed its doors for business, October 31, 1891. For several years prior to this date the Maverick Bank had been the agent of the complainant to collect checks on other banks, and drafts and individual notes of other parties. Under this course of dealing, the Maverick Bank received such checks, drafts, and notes, crediting the checks to the complainant when received, and crediting the drafts and notes when it was advised of their payment; and upon such credits it allowed the complainant a certain rate of interest, but whenever a check received by the Maverick Bank, and credited to the complainant, was returned unpaid, the amount so credited was charged back to the complainant. The complainant was also agent of the Maverick Bank to collect checks, drafts, and notes payable in Greenfield, Mass., where the complainant was located, and the amounts of such checks were credited to the Maverick Bank on receipt, and the amounts of such drafts and notes upon the advice of payment. The amounts collected were not kept separate by either bank, but the money was mingled with the general funds. On the 28th of September, 1891, the complainant mailed to the Maverick Bank a letter inclosing various checks and notes. The letter stated that they were inclosed for "collection and credit." Among these inclosures was a note for \$10,000, drawn by Brown, Durrell & Co., of Boston, payable to their own order, indorsed by them and also by J. A. Brown. The note fell due October 31, 1891, and Brown, Durrell & Co. delivered to the said Maverick Bank, before it suspended, their check, drawn on the North National Bank, for \$10,000, in payment

of the note. This check was also indorsed by Brown, Durrell & Co. and J. A. Brown. Upon the receipt of the check, the Maverick Bank entered the amount of said check on its books to the credit of the complainant. The check passed into the hands of the examiner upon the failure of the bank, and its proceeds are now in the hands of the receiver.

Upon this state of facts the complainant contends that the Maverick Bank held this check as its agent at the time of the failure, and that it is entitled to the same, or the proceeds thereof. The defendant, on the other hand, holds that, the Maverick Bank having given the complainant credit for the note as paid, the relationship between the two became that of simple debtor and creditor, the title to the check which was received in payment of the note passing to the Maverick Bank at the time the credit was given the complainant. The note in question was received by the Maverick Bank for "collection and credit." According to the course of dealing between the parties, credit was not to be given by the Maverick Bank until the note was paid. But it appears that the note was paid on the 31st day of October, and credit for the amount given to the complainant by the Maverick Bank. When payment was made and credit given, it seems to me the Maverick Bank ceased to be agent of the complainant, and the relationship between the two became that of debtor and creditor. This proposition is based upon the general course of dealing between the parties, and it might not be applicable to the case of a single note sent by one bank to another for collection and remittance.

The real contention on the part of the complainant relates to the form of payment. It is not seriously questioned that, if the bank had received payment in money which had been mingled with the general funds of the bank, the complainant could not follow the specific fund, but could only come in as a general creditor. I do not think any sound reason has been advanced for drawing a distinction between a payment in money and a payment by check under the facts presented in this case. When the Maverick Bank received payment of the note, and credited the complainant with the amount in its general account with the complainant, it assumed all responsibility with respect to the payment of the note. If the check received in payment proved to be bad, it would not relieve the Maverick Bank. It might have received payment in cash, or by check or draft, or even by the substitution of a new note, but with this the complainant had no concern. Looking at the general nature of the transactions between these parties, it seems to me that, when the note was paid and credit given to the complainant, the agency of the Maverick Bank to collect and credit this note ceased, because, as between the complainant and the bank, the bank had done that which it was required to do, and therefore the relation of the parties from that time must be held to be that of debtor and creditor. The form of payment is immaterial, because it could not affect the claim of the complainant against the bank, such payment being at the risk of the bank. (*Marine Bank v. Fulton Bank*, 2 Wall. 252, 256.) In the case of *Manufacturers' Nat. Bank v. Continental Bank*, 148 Mass. 555, 20 N. E. Rep. 193, the draft had not been collected at the time of the insolvency of the bank, and the court held that the agency to collect was terminated by such insolvency. In the present case, so far as the complainant and the Maverick Bank are concerned, the note had been collected and credit given. The reasoning of the court in the last above cited case would seem to support the contention of the defendant in this case. So far as the conclusions reached by the court in *Levi v. Bank*, 5 Dill. 104, are inconsistent with this opinion, I do not agree with them. Demurrer sustained. —*Federal Reporter*.

COLLECTIONS.

CIRCUIT COURT, D. MASSACHUSETTS.

City of Somerville v. Beal.

Whether the title to a check deposited with a bank passes to the bank before collection, so as to immediately create the relation of debtor and creditor between it and the depositor, is a question of fact, depending upon the circumstances and course of dealing in each particular case.

Certain checks marked "For deposit" were deposited in a bank at a quarter to 3 on Saturday, and credit was immediately given for the amount thereof on the pass-book. The bank closed at 3, and the next day was declared insolvent, with the checks still in its hands. It was the bank's custom, at the close of each day's business, to balance its books, crediting depositors with the amount of their checks, and, if a check was subsequently returned unpaid from the Clearing House, it was charged off to the depositors. The depositor in this instance did not know of this custom. He had made deposits with the bank for several years without any special arrangement, and had never drawn against uncollected checks, except by particular understanding. *Held* that, on these facts, title had passed to the bank so as to create the relation of debtor and creditor.

But where the foregoing facts were alleged in the bill, and connected with the further allegations that, at the time the checks were received, the bank was, "irretrievably insolvent, and made so by the operations of the president and two others of the directors," and that the depositor then believed it to be solvent, and had no means of knowing of its insolvency, this was sufficient to show fraud, and to render the bank liable to return the checks or their proceeds.

It was not necessary for the bill to specifically allege that the officers of the bank had knowledge of its insolvency, since such knowledge would be implied from the allegation that the insolvency was caused by the president and two directors.

COLT, Circuit Judge.—This is a bill in equity brought by the city of Somerville against Thomas P. Beal, receiver of the Maverick National Bank, claiming title to certain checks (or their proceeds) deposited in said bank on the afternoon of October 31, 1891, the day the bank closed its doors for business. The case was heard upon demurrer to the bill, the receiver contending that the title in the checks passed to the bank, and that the city of Somerville must come in with the general creditors. The main allegations of the bill are, in substance, as follows: On Saturday, October 31st, 1891, at about a quarter before 3 o'clock in the afternoon, the treasurer of the city of Somerville deposited in the Maverick National Bank checks on different banks, amounting to \$21,171.40, and \$8,450 in cash. The bank closed its doors at 3 o'clock on that day. The treasurer handed the checks (with the other deposit) to the receiving teller, with a deposit ticket, and at the same time his pass-book, and the teller at once credited the total amount of the deposit therein. The treasurer stamped the following indorsement on the back of each check: "For deposit. JOHN F. COLE, Treas. & Coll. City of Somerville." After the bank closed its doors on that day, the books of the bank, according to the usual custom, were posted and balanced, and the amount of said checks was placed to the credit of said city of Somerville, and the checks put in the Clearing House drawer, with other checks intended for presentation at the Clearing House on the following Monday. On the following day, Sunday, the bank was declared insolvent, and the bank examiner took possession of the same. All the assets and property of the bank were held by the examiner until the time the receiver was appointed. On Monday the bank examiner caused the checks to be

sent to the Clearing House, where they were paid, and the proceeds thereof were received by the examiner. Subsequently these proceeds were transferred to and are now held by the receiver. They have been kept in the accounts of the receiver separate and distinct from the other funds of the bank. The city treasurer had for several years made deposits with said bank without any special agreement in regard thereto. There was no agreement that checks, when deposited, should be considered as cash, or that the treasurer could draw against them before collection; and the treasurer never drew a check for which his deposit was not sufficient, without counting the proceeds of uncollected checks, except in a few instances, where a special arrangement was made with the bank by which the bank agreed to advance him certain specified amounts of money on his checks in excess of deposits. There was no express understanding that the checks should or should not be credited to the city immediately on deposit, but they were always so credited on the pass-book at the time of the deposit. The treasurer did not know whether the books of the bank were balanced after the close of business on each day, and credit given on the books of the bank for checks deposited on that day, but he did know that the amount of such checks was at once credited to him on his pass-book. It was the custom of the bank, on balancing the books at the close of each day's business, to credit deposits on that day at their face value, and without discount; and it was also the custom of the bank, in case a check was returned from the Clearing House uncollected, forthwith to charge off to such depositor any such check, and thus cancel the credit. It was the practice of the Maverick Bank, and is the practice of the other banks in Boston, in some cases, to allow depositors to draw against checks deposited before such checks are collected, and in some cases not, depending upon the bank's opinion of the reliability of the depositor and the makers of the checks. The treasurer, at the time of making the deposit, believed the bank was solvent, and he had no knowledge, or means of knowing, of its insolvency. The bill further alleges that, at the time the checks were received by the bank, it was irretrievably insolvent, and made so by the operation of the president and two others of the directors.

Two questions are raised by this demurrer: *First*. Did the title to these checks pass to the Maverick Bank when it credited the amount of such checks on the complainant's pass-book? *Second*. If the title to the checks would have passed under ordinary circumstances, do not the allegations of the bill as to the condition of the bank at the time constitute such a fraud upon the complainant as to entitle it to recover the checks or their proceeds?

As to the first question, whether the title in the checks passed to the Maverick Bank, I am inclined to the opinion that it did. There are numerous decisions upon this general subject of the ownership of deposits in a bank which subsequently becomes insolvent, and each case seems to turn upon the particular facts underlying it. The question is one of fact, rather than of law. (*Railway Co. v. Johnston*, 133 U. S. 566, 10 Sup. Ct. Rep. 390.) If we take the simple case of a customer depositing a check with a bank, which immediately credits him with the amount, allowing him to draw against it if he wishes, this being the usual course of dealing between the parties, it would seem that the property in the check passes from the customer, and vests in the bank, though there is no express agreement respecting the transfer of checks so deposited to the bank. (*Bank v. Loyd*, 90 N. Y. 530, affirming 25 Hun. 101.) The Supreme Court in *Railway Co. v. Johnston*, *supra*, cite the following language from the above case, as reported in 25 Hun.:

"That the intention that the check should be received as cash is to

be inferred from the fact that the check was due immediately, and was drawn on a bank, and for all purposes of the parties was equivalent to so much money; . . . and such intention is confirmed by preceding transactions, admitted by the depositor, in which checks were deposited as cash in his bank-book, and that the custom of his bank in its dealings with him was to credit him with all checks as money."

Railway Co. v. Johnston, was the case of a sight draft, and Mr. Chief Justice Fuller, in the opinion of the court, after referring to this fact and other circumstances, such as the right to charge exchange and interest on large drafts taken for collection, says:

"This was not consistent with the theory of an understanding between the bank and the company that the title to this and similar drafts should pass absolutely to the bank."

The decision is finally made to rest mainly on the ground of fraud.

Taking all the allegations of the present bill upon this particular point to be true, I am inclined to the opinion that this case comes within the principle laid down in *Bank v. Loyd*, and that, if the bill contained no other allegations, the demurrer should be sustained.

But the bill further alleges that, when the checks were received by the Maverick Bank, "it was irretrievably insolvent, and made so by the operations of the president and two others of the directors." It also avers that the bank closed its doors within 15 minutes after this deposit was received. For the purposes of this demurrer, these allegations must be taken to be true. To receive a deposit under these circumstances (assuming these facts to be proved) would constitute such a fraud as would entitle the depositor to a return of his checks or their proceeds. (*Railway Co. v. Johnston*, 133 U. S. 566, 10 Sup. Ct. Rep. 390; *Cragie v. Hadley*, 99 N. Y. 131, 1 N. E. Rep. 537; *Anonymous Case*, 67 N. Y. 598; *Martin v. Webb*, 110 U. S. 7, 15, 3 Sup. Ct. Rep. 428.)

It is contended by the defendant that the bill should have alleged knowledge on the part of the officers of the bank as to its insolvent condition at the time the deposit was received, in order to bring this case within the rule respecting fraud. But the bill alleges that the bank was irretrievably insolvent at the time the checks were received, through the acts of the president and two other officers. It must be presumed, therefore, that the officers knew the condition of affairs and the consequences of their own acts. Under these circumstances, it was not necessary to aver specifically that the officers had knowledge of such insolvency. Upon this ground the demurrer is overruled. Affirmed by the Circuit Court of Appeals.—*Federal Reporter*.

COLLECTIONS.

CIRCUIT COURT, D. MASSACHUSETTS.

National Exchange Bank of Dallas v. Beal.

A bank which had received a draft for collection sent it to its correspondent bank at the residence of the drawee, and the draft was paid to such correspondent. There were no mutual accounts between the two banks, but it was the custom of the correspondent to remit the proceeds of collections at stated periods. Held that, until this remittance was made, or the principal bank had given the original owner of the draft credit for the avails, the original owner of the draft, as the owner of the proceeds thereof, was entitled to recover them from the correspondent bank.

Though the correspondent was the agent of the first bank, and payment to it was to that extent a payment to the principal, yet until the proceeds were actually

remitted to such principal, and mingled with its general funds, or were so credited, the owner of the draft had the option to decline to consider it his debtor, and to claim the proceeds in the hands of the agent.

Where the principal fails, and a receiver is appointed, he takes the proceeds of the draft, when remitted to him, subject to the same right of reclamation by the owner that the latter had as against the agent.

Where, in such a case, there are mutual accounts between the two banks, the right of the agent to set off the amount of the collection against the principal's indebtedness to it cannot be adjudicated in a suit in equity between the owner of the draft and the principal without making such agent a party.

The plaintiff sent to the Maverick Bank two drafts for collection and credit on general account, payable, one in Fall River and the other in Taunton, and the Maverick Bank sent the first to the Massasoit Bank, at Fall River, for collection and credit, and the other to the Taunton National Bank at Taunton, and on October 31, 1891, the Massasoit Bank and the Taunton Bank collected the two drafts, and credited their amount to the Maverick Bank, and mailed letters to the Maverick Bank stating that they had done so. October 31st was the last day that the Maverick Bank did business, it being taken charge of the next day by a National Bank Examiner, and closed, by the direction of the Comptroller of the Currency. The letters written by the Massasoit Bank and the Taunton Bank did not, therefore, arrive until after the failure, and consequently no entry of credit on account of these drafts was made by the Maverick Bank to the plaintiff. At the close of business on October 31st there was a balance on general account, including this draft, due from the Massasoit National Bank to the Maverick Bank, of \$144.04, which was subsequently set off against collections made for the Massasoit Bank by the defendant as receiver of the Maverick Bank. The Taunton Bank had no mutual account with the Maverick Bank, and was in the habit of remitting the proceeds of paper sent it by the Maverick Bank for collection every five days, and sent a check for the amount of the draft collected by them to the receiver. The usage between the plaintiff and the Maverick Bank, as set forth in the bills, was that the Maverick Bank credited the amounts of drafts sent it by the plaintiff for collection on the day the same were collected on general account, and did not keep the proceeds of such drafts separate, but mingled them with its funds, and this was done with the knowledge of the plaintiff. The plaintiff files these bills, claiming to be entitled to receive from the receiver the amount of these two drafts in full.

PUTNAM, Circuit Judge.—These two cases were submitted together on bill and demurrer. If the opinion of Judge Colt, handed down in this court March 11, 1892, in *Bank v. Beal*, 49 Fed. Rep. 606, had been to the same point as now arises, I would be bound by it; but it was not. It, however, states a rule which is useful here, as follows:

"When payment was made and credit given, it seems to me the Maverick Bank ceased to be agent of the complainant, and the relationship between the two became that of debtor and creditor."

In *Commercial Nat. Bank v. Hamilton Nat. Bank*, 42 Fed. Rep. 880, Judge Gresham seems to have expressed the opinion that, notwithstanding credit given by a collecting agent having the same relations which the Maverick National Bank has to this case, the primary owner might make claim against the subordinate agent until the subordinate agent had actually remitted; but I am concluded by the rule laid down by Judge Colt, and, as I state further on, the cases at bar do not require any consideration of the conclusions of Judge Gresham on this particular point. The facts in No. 2,978, in which payment was made to the Taunton National Bank, are in the simplest form for the preservation of

complainant's title to the bill or draft and its proceeds, and for the application of the principles which seem to me to underlie these suits. In that case there were no mutual accounts between the local bank and the Maverick; so that, after payment to the former, the proceeds were held by it free from any equities of its own, and segregated throughout from all other transactions. Consequently the owner, whoever the owner might be, could have identified and followed the avails as easily as he could have identified or followed the draft or bill itself. In this case, No. 2,978, the fact that the indorsements on the draft or bill were made expressly "for collection" did not change the nature of the transaction, and are of no value; although, whenever claims of strangers intervene, or, indeed, whenever the state of accounts between the collecting bank and its subordinate correspondent is such as to be concerned in the transaction, the notice given by this special and limited phraseology may be of importance. That the draft or bill, when received by the Taunton National Bank, and until paid by the acceptor, or other person on whom drawn, remained the property of the complainant, cannot be successfully disputed; and it is also an elementary principle that the proceeds, so long as they remained with that bank, and were segregated and unmistakably identified, as in the present case, stood presumably in lieu of the collection paper, and were held by the same ownership and title. If, therefore, the respondent claims that in No. 2,978 the complainant has not the same title to the proceeds as it had to the draft, or that its right is less than that of a manufacturer to pursue and reclaim his consigned goods, or the accounts due for them, through the hands of the commission merchant or other factor, into the hands of or from the agents or customers of the latter, the burden is on him to show the special facts which justify the distinction. For these he must look, if anywhere, to the rule given by Judge Colt, already quoted.

The nature of these transactions has been fixed by a practice so extensive, uniform, and long continued that the courts must take cognizance that, when the proceeds of collections have been actually received into the vaults of a bank bearing the relation to the primary owner of the collection paper which the Maverick National Bank bore to the complainant, and have been credited by the former to the latter, the agency ceases, the avails can no longer be traced, or claimed as trust assets, and the matter is merged into one of mere debit and credit. Whether or not, when the proceeds are so clearly identified and so free from new equities as in No. 2,978, the primary owner does not have the option of treating the intermediate bank as its creditor, or of demanding from the local bank the avails, so long as the latter continues to hold them, it is not now necessary to consider. It is enough for the present that, so far as the rule already quoted from Judge Colt concerns this case, the complainant is affected only by the state of accounts between it and its immediate correspondent; and its title to the paper, or its proceeds, is not prejudiced by the mere fact that some other bank holds either as the immediate agent of the complainant's correspondent, until the latter has by suitable entries on its books completed and recognized the relationship of creditor and debtor. Until this is accomplished, the rights of the complainant are no less than those of the manufacturer already spoken of, who might pursue the price of his goods into the hands of the factor's vendee, although the latter had made himself in fact and in form primarily the debtor of the middleman.

What is the ultimate limit to which the *spes recuperandi* may reach it is not necessary now to decide, and it may vary according to special circumstances of differing cases; but that, in the present instance, it continued until the proceeds had actually been remitted by the Taunton

National Bank, or were at least so entered by the Maverick to complainant in the usual course of business, that the right of complainant as creditor was absolutely and fully recognized, as well as fixed, seems to be implied in what was said by Judge Colt, and appears to me to be the correct rule. No intervening rights are prejudiced by sustaining complainant's claim for the avails of the draft collected by the Taunton National Bank, and, therefore, none need be considered, so far as concerns No. 2,978. *Exchange Nat. Bank of Pittsburgh v. Third Nat. Bank of New York*, 112 U. S. 276, 5 Sup. Ct. Rep. 141, and the earlier case of *Hoover v. Wise*, 91 U. S. 308, are conclusive on this count, to the effect that in this transaction the Taunton National Bank was the agent of the Maverick, and that the latter would have been responsible for any insolvency or lack of diligence of the former, although the complainant knew when it forwarded the bill or draft to the Maverick that it must transmit the same to Taunton for collection, and although the bank at Taunton exercised an independent occupation, and was not a mere servant of the Maverick. The respondent claims that, as the relations of the bank at Taunton to the Maverick are thus defined by the Supreme Court, the money, when collected at Taunton, became at once the money of the Maverick, in fact and in contemplation of law; so that from the moment of payment to the local bank the Maverick became a debtor to the complainant, and the complainant was entitled to all the rights of a creditor. It is to be noticed that this proposition was not passed on by the Supreme Court, but is sought to be built up from what it did decide. It must be admitted that the right of the complainant was not concluded by the mere fact that the Maverick became from a certain instant its debtor, if it did; because the question still remains the leading one in the case, whether, notwithstanding that fact, the complainant did not retain an option to decline to regard the Maverick as its debtor, and in lieu thereof to look to the proceeds of its draft, wherever it might find them. By analogy, the factor who sells goods on a guarantee commission becomes the debtor of the manufacturer from the instant the goods are sold; and yet it must be conceded that the latter has the choice of declining to accept the credit, and of making claim to the account held by the vendor against his customer. It seems to me the case turns on the proposition that, while it must be admitted that the avails of goods or of choses in action, when they come in fact into the hands of a bank or factor authorized to deal with them, are thus so mingled with the mass of assets as to lose their earmarks, yet they preserve their identity so long as they remain in the possession of a subordinate party, whether he be technically vendee, bailee, or agent, unless, from a peculiar course of dealing or state of facts, the proceeds have necessarily lost their identity in the hands of the latter. Therefore the law sustains the just result that at the close of business on the 31st day of October the proceeds of this draft, then lying in the hands of the Taunton National Bank, might have been recovered from it by the complainant. Before there was any change in the *status*—that is, before the opening of business on the next secular day—the statutory insolvency of the Maverick National Bank had been declared; so that at the instant of this declaration the avails of the draft were still subject to reclamation by the primary owner. The receiver, like an assignee in bankruptcy, took only the mere equities of the insolvent bank, and holds by relation whatever he did take as of the 1st day of November, 1891, in behalf of whom it may concern, and as trustee for all interests as they then existed. My conclusions with reference to this case—No. 2,978—seem to be in harmony with all the decisions in the other circuits. Had they not been so, yet, inasmuch as the latter have been uniformly in

favor of the rule claimed by the complainant, I would have felt constrained to follow them; and the result would have been the same. I have not attempted to scrutinize with strictness the allegations of the bill, but have assumed them to be in harmony with the settled practice between banks of deposit to which the case must ultimately conform, because the allegations must be construed in connection with those things of which the court necessarily takes judicial notice. Neither have I considered whether the appropriate remedy is not at law, because the counsel for each party expressed at the hearing a desire that no point of jurisdiction should be taken, and my doubts on this do not require me to challenge, of my own motion, the apparent course of practice to which these bills conform.

As to case No. 2,979, in which the sub-agent was the Massasoit National Bank, it seems to me that, until this bank is made a party, it is not proper to adjudicate whether it can maintain the offset which it has attempted, whether the remedy of the complainant is against it for all except \$144.04, or against the receiver, if it has any remedy at all, or whether or not the rule of *Freeman's Nat. Bank v. National Tube Works*, 151 Mass. 413, 24 N. E. Rep. 779, or that of *Commercial Nat. Bank v. Hamilton Nat. Bank*, already cited, applies, or even to adjudicate at all. If this was an action at law, it might, perhaps, on the principles applied in No. 2,978, be maintained for the item of \$144.04; but in equity it does not seem suitable to thus split up a controversy. In No. 2,979 there will be a decree sustaining the demurrer, and dismissing the bill, with costs, unless the Massasoit National Bank is brought in by amendment filed on or before the June rules next; and in No. 2,978 the demurrer is overruled, and the defendant ordered to plead or answer on or before the same June rules, the costs to abide the final decree. — *Federal Reporter*.

CONVERSION OF STATE INTO NATIONAL BANK— LIABILITY ON CIRCULATING NOTES.

SUPREME COURT OF THE UNITED STATES.

Metropolitan National Bank v. Claggett.

The conversion of a State bank into a National bank is not a "closing of its business," within the meaning of the New York statute of 1859 providing for the redemption of a State bank's circulation, and releasing it from liability on such notes as are not presented within six years after the giving of the prescribed notice; and any notes not so presented constitute a valid claim against the National bank.

LAMAR, J.—This is a motion to dismiss a writ of error to the Supreme Court of the State of New York to review its judgment against the plaintiff in error, with which is united a motion to affirm that judgment if the motion to dismiss be denied. The case arose upon a complaint filed in the Supreme Court of New York, June 4, 1886, by the defendant in error and another, as administrators of the goods, chattels and credits of James H. Paine, deceased, against the plaintiff in error, the Metropolitan National Bank, demanding judgment against the latter for \$12,300, and interest from May 21, 1886, that being the aggregate amount due on 84 bank-bills issued by the Metropolitan Bank of New York, for the payment of which it was claimed that the plaintiff in error was liable. The complaint alleged that, at the time of the issue of the bank-bills sued upon, the Metropolitan Bank of New York was a State bank, duly organized and doing banking business under the law of the State

of New York, having authority to issue such bills, and to put the same into circulation as money; that from 1858 to 1861 it issued each of the 84 bills therein described, and prior to 1862, for a valuable consideration, delivered the same to James H. Paine, the intestate of the plaintiffs; that the bills thereupon became his property, and remained in his ownership and possession until his death; that the plaintiffs, as administrators of his goods and effects, duly appointed and qualified, having become the owners and holders thereof, presented the same on the 21st of May, 1886, to the Metropolitan National Bank, the plaintiff in error, for payment, which was refused; that on the 14th of March, 1865, pursuant to the Act of Congress of June 3, 1864, and the Act of the Legislature of New York of March 9, 1865, the said State bank became and still is a National bank for carrying on the business of banking under the name of the Metropolitan National Bank; and that, by virtue of the laws of the United States and its own voluntary action, the said Metropolitan National Bank, plaintiff in error, received and became vested with all the assets of the Metropolitan Bank of the State, and assumed and became liable to pay its obligations, including the bank-bills described in said complaint.

Three defenses were set up in the answer to the complaint: (1) A denial that the plaintiff in error had at any time assumed or, by any of its acts, become liable to pay the bills of the Metropolitan Bank of New York, which was a State bank doing business under the laws of the State of New York. (2) That in 1865 plaintiff in error became a National bank under the laws of Congress, doing the business of banking, as such, by virtue of the laws of the United States, under the corporate name of the Metropolitan National Bank, and that the Metropolitan Bank of New York (the State bank) went through certain proceedings, under the New York statutes, of notice, publication, and deposit with the Superintendent of Banking of that State, for the redemption of its circulating bills, on the ground of its closing business, whereby its liability and that of the plaintiff in error on these bills (they not being presented for payment in due time) ceased six years from March 14, 1867. (3) That the cause of action is barred by the statute of limitations of the State of New York.

The action being at issue upon the pleadings, and having come on for trial before the court without a jury, the parties having expressly waived a jury trial, the court made a finding of facts which substantially accorded with the averments of the complaint, and rendered judgment in favor of the plaintiff below, the defendant in error herein, for the sum of \$12,300, and interest thereon from May 21, 1886, and costs. (4 N. Y. Supp. 115.) This judgment was affirmed by the General Term of the Supreme Court of New York (10 N. Y. Supp. 165), and subsequently by the Court of Appeals of New York (125 N. Y. 729, 26 N. E. Rep. 757). Hence this writ of error. The defendant now moves to dismiss the writ, on the ground that this court has no jurisdiction to review the judgment of the State Court of New York, and that no federal question was raised or decided in the court below, or appears upon the record. The first assignment of error is as follows: "That the Metropolitan National Bank, the plaintiff in error, which was created under the Act of Congress, entitled 'An Act to provide a National currency secured by the pledge of United States bonds, and to provide for the circulation and redemption thereof,' approved June 3, 1864, is held liable to pay the bills described in the complaint, which were made by the Metropolitan Bank, a corporation created under the law of the State of New York, entitled 'An Act to authorize the business of banking,' passed April 18, 1838." The second defense set up in the answer, as we have

seen, is that the defendant below (the plaintiff in error) became a National bank under the authority of the act of Congress of 1864, entitled "An Act to provide a National currency secured by the pledge of United States bonds, and to provide for the circulation and redemption thereof," and thereby acquired immunity from liability for the bank-bills issued by the State bank. The court found that the plaintiff in error did become a National bank, doing a banking business under the laws of the United States, but decided that it did not thereby acquire an immunity from liability to pay the bank-bills of the Metropolitan Bank of New York, upon the ground that the proceedings set up in the answer did not terminate the existence of the State bank, but simply effected a continuation of the same body under a changed jurisdiction. In this we think the record presents a claim for federal immunity raised by the plaintiff in error, and denied by the court, which brings the case within the jurisdiction of this court; and upon the authority of *McNulta v. Lochridge*, 12 Sup. Ct. Rep. 11 (decided at this term of the court), the motion to dismiss is denied. But, as the record also shows there was color for the motion to dismiss, it is proper that we should proceed to a review of the judgment of the court below.

The question we are to consider here is, did the court err in holding that the plaintiff in error was not exonerated from liability either by its becoming a National bank, or by the proceedings for the redemption and retirement of its circulating bills issued while a State bank, which proceedings, it was claimed, were in strict observance of every requirement of the New York statute of 1859 in relation thereto, or by the statute of limitations of the State of New York? The court decided that the New York statute providing for a redemption of circulating notes, and for releasing the bank, if the notes were not presented in six years, applied alone to banks "closing the business of banking"; that the change or conversion of the Metropolitan Bank into the Metropolitan National Bank did not "close its business of banking," nor destroy its identity or its corporate existence, but simply resulted in a continuation of the same body with the same officers and stockholders, the same property, assets, and banking business, under a changed jurisdiction; that it remained one and the same bank, and went on doing business uninterruptedly; and that, therefore, the statutory proceedings relied upon in the answer could not operate as a bar to the liability of either bank to pay the bills delivered by the Metropolitan Bank in 1861 to plaintiffs' intestate. This decision is so manifestly correct that it needs no argument to sustain it. The judgment is therefore affirmed.

The Chief Justice and Bradley and Gray, JJ., took no part in the consideration and disposition of this motion.—*Supreme Court Reporter*.

LEGAL MISCELLANY

TAXATION—CORPORATIONS.—A corporation organized under the laws of the State of New York, having its principal office in the city of New York, keeping its bank accounts there, and employing a portion of its capital there in the payment of corporate expenses, is liable to taxation as a domestic corporation, though the whole of the business for which it was incorporated be prosecuted in a foreign country. [*People v. Wemple*, N. Y.]

NEGOTIABLE INSTRUMENT—ACTIONS.—Where, in an action on a promissory note, the uncontradicted evidence of the owner and plaintiff showed that the owner had transferred the note to plaintiff as his agent,

with authority to sue and collect the same, and suit was brought accordingly in the name of plaintiff, it was error to submit to the jury the question of plaintiff's authority to sue. [*Horrigan v. Wyman*, Mich.]

NEGOTIABLE INSTRUMENT—BONA FIDE PURCHASERS.—The transfer of a note before maturity, in payment of an existing debt, without notice of failure of consideration of the note, is a transfer for value; and a subsequent holder, to whom the title passes from such transferee, may recover on the note, whether or not he pays value or has notice of such failure of consideration. [*Herman v. Gunter*, Tex.]

NEGOTIABLE INSTRUMENT—NOTE—WAIVER OF PROTEST.—The offer by indorsers, prior to the maturity of the note, of a new note, in renewal, is a waiver of notice of protest, as it shows that the indorsers did not expect the note to be paid at maturity, and were not injured by failure to give notice of dishonor. [*Jenkins v. White*, Penn.]

PARTNERSHIP—NOTE.—A member of a firm engaged in the business of repairing machinery, and selling it on commission, gave a note in the firm name in payment for a patent right. His copartners did not know of the giving of the note, and never ratified it: Held, that the note was binding only on the partner who signed it. [*Faires v. Ross*, Tex.]

RIGHT OF SURETY ON NOTE.—Where the holder of a note knows that a surety thereon is an accommodation surety without consideration he is bound to treat him in perfect good faith, and where he induces the debtor to apply a payment intended for that note upon another on which the surety is not liable, and then extends the time for payment without the consent of the surety, the liability of the surety is thereby ended. [*Morris v. Booth*, Court of Appeals of Texas.]

USURY.—The United States statutes provide that if a National bank knowingly takes a greater rate of interest than is allowed by the statute of the State in which the bank is located it shall work a forfeiture of the entire interest, and if paid, that it may be recovered back and a penalty equal to the amount of the interest in addition. But where a note becomes due and is unpaid, the fact that the interest thereon is included in the principal of a renewal note, thereby making the interest earned a part of the interest-bearing principal, does not render the note usurious, as being the reservation of interest upon interest, because when the renewal was made the interest was an earned debt, fully due and payable. [*Brown v. Marion National Bank*, Court of Appeals of Ky.]

TAXATION—SHARES IN NATIONAL BANK.—For the purposes of taxation, bank shares of stock are worth what their market value is at the time the assessment is made, and not what their value may be on the consummation of a contemplated closing of the bank's business, and a division made among the shareholders. [*National Bank v. City of New Bedford*, Mass.]

CORPORATION—STOCK—PURCHASE BY OFFICER.—A purchase of stock from a stockholder at a low price, by an officer of the corporation, is not fraudulent because such officer had knowledge in his official capacity of favorable sales of other stock, which enhanced the value of the stock generally, and of which fact the seller was ignorant. [*Crowell v. Jackson*, N. J.]

CORPORATION—STOCKHOLDERS.—While the affairs of an insolvent corporation are in the hands of a receiver, a creditor may not maintain an action in his own behalf against a stockholder to recover for stock held by the latter, but never paid for. [*Merchants' Nat. Bank of Chicago v. Northwestern Manuf'g & Car Co.*, Minn.]

CONVENTIONS OF STATE BANKERS' ASSOCIATIONS.

The lack of space prevents the full publication of the proceedings of these conventions, as several of them have been held at nearly the same time. We can notice here only some of the more important features, and, as soon as possible, present some papers, or portions of them, that have a wider and more enduring interest than to those who listened to them.

WASHINGTON.

The Washington Bankers' Association directed the executive council to present petitions for laws on the following subjects:

First—The community property law. The law relating to community property is such that a note signed by the husband does not hold community property to satisfy the note. Many bankers think that this is an injustice which should be remedied, as wealthy men frequently have nothing except community property.

Second—Protesting a note. Domestic bills of exchange and promissory notes are not protested in this State. There is a statute providing that foreign bills of exchange may be protested, but there is no similar provision for domestic bills and promissory notes.

Third—Days of grace. The custom of granting days of grace is almost obsolete, and a majority of the bankers present were in favor of repealing the statute allowing days of grace. They say that the provision induces carelessness and interferes with the regularity of business.

In the afternoon the committee on resolutions reported, and the association formally passed resolutions urging legislative action in the matters mentioned; also that a law be passed regulating the maturity of notes on the days following holidays. The resolutions further recited that the bankers were willing to pay their full share of taxes, but that at present in assessing taxes banking capital was discriminated against.

Resolutions looking toward the formation of a new National banking association were also adopted. The plan is to have each State association represented by a National delegate, and an additional delegate for every hundred members in the association. H. W. Wheeler, of Seattle; H. L. Cutter, of Spokane; M. Fitch and Samuel Collyer, of Tacoma, and E. O. Graves, of Seattle, were appointed a committee to attend the session of the American Bankers' Association at San Francisco in September, and advocate the scheme.

IOWA.

The Iowa convention resolved that a committee be appointed consisting of three members to draft a plan for handling collections and submit same to all banks of the State, ascertain their opinion upon same, and whether they would be willing to enter into any general agreement, and report fully at the next annual meeting of the association.

The titles and authors of the addresses read at the convention were the following:

"Iowa Banks and Their Relation to the Future of the State." Hon. Calvin Manning, vice-president Iowa National Bank, Ottumwa.

"Legislative Restrictions of the Negotiability of Commercial Paper." Hon. Nathaniel French, Davenport.

"Iowa—Her Reserve." W. T. Fenton, cashier National Bank of the Republic, Chicago.

"Practical Thoughts on Banking Subjects." Introduced by J. H. Charlton, president First National Bank, Iowa Falls.

"The Banker and His Customer." Hon. B. F. Clayton, of Macedonia State Bank, Macedonia.

"The Opportunity of the Banker." F. H. Helsell, cashier Bank of Sioux Rapids, Sioux Rapids.

"Modern Legislative Tendencies." B. F. Kauffman, President Iowa National Bank, Des Moines.

"Some Laws that Affect Bankers." M. F. LeRoy, cashier First National Bank, Manchester.

TENNESSEE.

At the convention of the Tennessee bankers, State taxation of the banks occupied considerable attention. Addresses were made on the subject by Hon. A. J. Gahagan and Mr. S. A. Champion, of Nashville. Papers were also read on the "History of Banking in Tennessee to 1865," by John W. Faxon, assistant cashier First National Bank of Chattanooga. "Some Facts Touching Ancient Banking," by A. W. Brockaway, cashier of the Brownsville Savings Bank. "Blessings of the Dullness of Trade," by C. W. Schulte, cashier of the First National Bank of Memphis. "State Banking," by Col. John R. Goodwin, president of the Mercantile Bank of Memphis.

Mr. C. H. Ferrell, president of the Farmers and Merchants' Bank, at Humboldt, read a paper, "Should there be a Contract Rate of Interest, and How Would it Affect the Prosperity of the State and Country"; and Mr. R. Dudley Frayser, president of the Memphis City Bank, also read one entitled, "The Educated Banker."

The following very noteworthy paper on "City and Country Banks, and Their Mutual Relations" was read by Mr. C. M. F. Niles, cashier of the Continental National Bank, of Memphis.

Scarcely less important than the discoveries in science and equally necessary in facilitating the transactions incident to mercantile life and commerce, are the present improved conditions and methods of banking. As a labor-saving machine, who shall say that the combined ledger, journal and balance-book, now so generally utilized in smaller banks, is not an invention as useful to one portion of mankind as the steam engine, or cotton gin to others, and the inventor equally entitled to wear a crown of laurels with Watt and Whitney?

It is not the province of this article to show the changes and improvements made during the past century in the details of banking, for one conversant with the systems of book-keeping and general methods of banking, even thirty years ago, would fail to recognize those now in vogue, and certainly, if awakened from a Rip Van Winkle sleep, would look in vain for some of the familiar landmarks of banking as it was. This is a century of progress, and it is a pleasant thought to consider that even such a prosaic occupation as that which we follow has kept pace with the professions and arts in their grand and steady achievements. The tendency of the age is in the direction of system with brevity of time and space, and, therefore, all safe methods which will conduce to such are adopted with alacrity.

In a very different relation than the city wholesaler and country retailer, we find the city bank and that of the country town. Each has very much the same class of work to do and the same duties to perform. The city is but a village of larger growth, and because the great business of a metropolis requires a larger banking capital than that of the inte-

rior trading post, it is not more necessary to its community than the modest and unpretentious bank whose dignified president by daily experience is, perhaps, qualified and obliged to fill the less ornamental position of book-keeper and messenger.

The bank has become the center or pivot of trade. Its existence is as necessary to the business and commerce of to-day as the sunshine and rain to the harvest. It is the secretary and treasurer for every man of any importance in his community, for a man, nowadays, who does not use a bank in some manner is, indeed, a being of little value, a mere fly hanging to the revolving wheel of progress, unable to impede its motion and without sufficient sense to realize such impotency.

In considering the relations existing between city and country banks it is necessary first to review the peculiar functions of each, and later notice the connections, mutual dependence and reciprocal relations naturally resulting from a business intercourse. The reception of deposits, paying of checks, buying and selling of exchange, loaning of money, discounting notes, and handling of collections are lines of banking followed very much the same in urban and rural places, and the pleasantest part of a banker's work, the paying of good-sized dividends, does not require any specially different mode of procedure whether the act itself is committed in the midst of a large populace, or where fewer persons may be looking on, interested or envious spectators.

The country banker, in the course of business, soon finds a strong demand for exchange, his own customers desire to pay their city merchant for goods, and, therefore, an account with some city bank must be opened. In receiving checks from city banks and merchants, remittances must be made in payments, and it is therefore again found necessary to have funds in some city bank to draw against.

As a saving of time, postage and stationery, and the shifting of the burden of responsibility, it is deemed advisable by the country banker to let some other party collect the checks and drafts that daily come over his counter, drawn, perhaps, on all points of the compass, and, as it were, to use some such convenient place as a dumping ground for this great accumulating mass of valuable papers. Therefore, a bank must be found as a correspondent who will undertake this task, and an account is soon opened with a city bank which thus becomes its clearing-house.

In the course of business it is not always found safe or convenient for the country banker to keep his entire deposits in his own vault, and, also, with a keen instinct to the importance and value of making every dollar count, he finds he can get a reasonable interest from the city bank on his balances, and, therefore, he delays not in opening such account. Knowing that a friend in need is a friend indeed, and that his own business may occasionally require more money than his capital will furnish, the country banker realizes the importance of securing that needful friend which is found in the large city correspondent whose capital is ample for both, and the liberal use of a share of which is the just right of the country banker, whose business is safe, and whose account is large enough to justify.

These are a few of the reasons why the country bank enters into close relations with the city bank, and their statement in detail shows that advantages to be obtained are the motives which actuate the provincial bank in seeking and consummating the connection with that of the city. These advantages are now fully recognized and apparent to all, and, with few exceptions, generally appreciated.

The reasons for the establishment of a city connection being thus given and the advantages accruing thereby to the country bank, it will

now be well to look at the other side of the picture and view the situation from the city bank's standpoint. Formerly, and in certain localities, it seems to have been quite the fashion among a large class of leading bankers to deride the small country banker, either regarding such as an interloper or as being so utterly unimportant in the world's affairs that no consideration should be meted out to him or credit given his representations. But, happily, this narrow-minded and short-sighted policy has very generally sunk into the oblivion of the past, along with other antediluvian and exploded false doctrines, and the city bank of today, which is in the van of progress and prosperity, counts itself successful by reason mainly of large country bank deposits and valuable outside connections.

As already suggested, the city bank, with its large and growing field for business and the never-ending demand for money on the part of customers, and those it would secure as such, needs, next to honest and skillful managers, a fine deposit, as well as an ample capital. It is, of course, presumed to have the latter, and when the local deposits have been carefully garnered and its sphere of usefulness on account of circumscribed surroundings thus nearly completed, the bank whose officers are thoroughly awake, possessed of intelligence and endowed with ambition and perseverance, reaches out elsewhere for deposits, and, by securing the balances of numerous country banks, in addition to the local line of deposited funds, its financial strength is increased and its importance and value to the community proportionately augmented. The friendly strife and constant importunities of the great banks in every leading city of the country for the accounts of country banks must be sufficient proof that they look upon the question in this light, for, when they say accounts, they have in mind the deposits, the money of the outside banker, for it is from the legitimate use of a safe proportion of its deposits that any bank can make money and attain success.

The development of the country and the needs of its people requiring banks in each commercial district and business locality, collections must be made through outside agencies, and experience has taught the efficiency and necessity of making these collections, whatever their nature may be, at least when money is involved, through country banks. This fact is no longer subject to dispute, nor is it a rule with many exceptions. In handling this class of business there are three important points that must always be considered by the careful and intelligent banker, and the best method to secure these desiderata objects he could ever have in view. In securing returns for checks, drafts, bills of exchange, or whatever form of collection it may be, safety, expense and promptness are these pre-eminent points. Here the value of a direct correspondent and connection flashes itself upon the mind of a city banker. He knows his correspondent and feels that he is dealing with a friend, almost a partner. The promptness is assured, the safety also, and if what is known as a "cash item," the collection usually assumes simply the form of a credit to one customer and a debit to the other, the credit being made subject to payment at the other end of the line and proper advice of same. Of course, safety is the first great prerequisite, for, unfortunately, black sheep will stray into every fold, but expense must always be considered, exchange and collection charges being the bane of many lives and the awful gulf frequently separating a banker from his dearest friend—perhaps the innocent and unrevealed cause of many crimes planned in solitude and remorse, but committed only in imagination.

In the line of reciprocity, as well as courtesy, and as due to the other by reason of mutual advantages enjoyed growing out of their connec-

tion and relationship, it is not customary for the city or country bank to charge each other for making collections, and, therefore, safety, expense and promptness having been arranged to meet the merits of the case, the city bank again sees the benefits to be derived from a country correspondent. When, as often happens, the local demand for money is less than the bank's ability and inclination to supply, and additional loans are needed, the country bank is then a welcome customer, and, when its paper is taken, the knowledge possessed of its affairs, its strength, and sound financial methods, renders the loan a most desirable one, and the city banker feels that such paper is doubly secure. Of course, these loans or rediscounts should properly be made in proportion to the size of average balances and no larger than the account justifies, especially keeping in mind the wants of others and their reasonable requirements. In all such matters, the fact that the city banker is dealing with his correspondent, his close connection and, as it usually results, his friend, gives him an altogether different feeling and puts the transaction on a higher plane and more satisfactory footing than could be possible if these relations did not exist.

It will be readily seen how seriously handicapped the city bank must be which does not enjoy the advantages of country bank connections, not only in the paramount matter of deposits, but also in collections, loans, and what is very important in this day of growth and movement of people and their interests, the advertisement it gives a city bank.

We spend our money freely for cards, business puffs, advertisements in newspapers and class publications, this being an age when to advance our trade or profession we must keep our name prominently before the public. Every check drawn on a city bank, no matter how trifling in amount, is a valuable advertisement and carries with it on its wanderings, perhaps from Maine to California, or from Minnesota to the gulf, the name of a bank, and this is fixed in the minds of those who see it, and who, indeed, can estimate the fruit to be gathered from the tree that had its origin in this microscopic germ. Having thus taken a view of the relationship between city and country banks from the standpoint of the former, we see that they, likewise, are animated and governed by motives of self-interest, primarily seeking the outside connections by reason of advantages to be obtained. Nor can we justly criticise either party to this compact, for this it virtually is, since, in a great measure, utilitarian rather than philanthropic motives must of necessity actuate us all in the daily conduct of affairs. The advantages are here seen to be mutual and nearly equal, and, therefore, we must conclude that city and country banks should cultivate those relations which conduce to the highest degree of confidence, one with the other, and esteem and friendship, being natural sequences, are certain to cement the bond of union.

ALABAMA.

At the convention of the Alabama bankers the following papers were read :

"Should the Days of Grace on Commercial Papers be Abolished?"—A. M. Baldwin, Montgomery ; F. S. Moody, Tuscaloosa ; W. G. Brockway, Gadsden.

"Proper and Improper Competition Among Banks and Bankers."—W. J. Cameron, Birmingham ; C. Berney, Bessemer ; E. B. Young, Jr., Eufaula.

"The Delights and Disgusts of Banking."—W. R. Rison, Huntsville ; B. Steiner, Birmingham.

"Commercial Note System vs. Open Accounts."—J. H. Kainer, Union Springs; Joseph F. Johnston, Birmingham; L. T. Elting, Florence.

"Free Coinage of Silver."—J. H. Fits, Tuscaloosa; J. W. Whiting, Mobile; G. H. Parker, Cullman.

"Liability in Banks Sending Collections by a Circuitous Route."—J. S. Mooring, Anniston; R. E. Steiner, Greenville; J. A. Moore, Marion.

"Should Banks Pay Interest on Deposits?"—J. R. Stevenes, Huntsville; W. B. Sheperd, Opelika; W. H. Skaggs, Talladega.

"Fundamental Principles of Conservative Banking."—H. A. Young, Anniston; J. B. Cobbs, Birmingham; R. Goldthwaite, Montgomery.

In considering the subject of circuitous collections, Mr. Mooring presented some interesting facts:

"Some time since, the bank with which I have the honor to be connected, received from one of its correspondents a check for thirty-seven cents. This check, small in size, as it happened, as well as in amount, was drawn on a bank in a small town of a different State. In course of business it was forwarded to one of our correspondents who had agreed to handle for us such checks at par. A few days ago this same check came back to us, and upon its back and pinned to it (for space on the check had given out) were the endorsements of fourteen different banks, and it had never reached the bank on which it was drawn. The last bank handling the item had sent it to us because it was on a point named in our par list, without noticing that it had previously been in our hands. Fourteen book-keepers had bestowed more or less labor on this check; it had passed through the hands of fourteen mailing clerks; had caused the use of fourteen remittance blanks, fourteen envelopes, fourteen postage stamps, fourteen postal cards for acknowledgments, and all this without a single cent of profit to any one concerned in the transaction, except the Post-office Department of the United States. It is true that this is an extreme case; but what occurred in this instance is true, in a less degree, of any collection made through the par plan. So the first objection to this system, and one that is apparent to every banker is, that it involves a profitless expenditure of time, money and labor."

COMPETITION IN BANKING.

This subject has been lately considered by two very able and well known bank managers, at the annual meetings of the shareholders of their respective institutions. Said Mr. George Hague, the general manager of the Merchants' Bank of Canada:

"The axiom that 'competition is the life of trade' must be taken to refer to such as is legitimate. There is a style of competition both in general business and banking which does not serve the public, but injures it. When there are too many traders in a given town or locality their competition in cheapening goods generally leads to extravagance on the part of purchasers, or if it leads to giving long credit, to their customers getting deeper and deeper into debt. Many a private individual has been impoverished for years by this style of competition, and many a farmer has become overloaded with debt and lost his farm. Too many bankers in a given district produce greater mischief still. The result is a cheapening of the rate of money, which leads to extravagance in the use of it, undermines economy, introduces loose habits of business, and is responsible in many instances for bankruptcy.

When, under the influence of bank competition, extended credit is given to persons of small capital, they are generally induced to attempt more than they can profitably manage, to erect too expensive buildings or to launch out into a speculative style of business, to the detriment of their prudent neighbors who trade within their means. There are localities in Canada which were almost ruined for a series of years by the lavish style in which money was spread abroad by bank managers, who were bent upon extending business at all risks. The losses of the banks from this style of competition have amounted to millions and have left traces of devastation behind them which have taken years of industry and economy to efface.

"The experience of Scotland in this matter is worthy of consideration. Many years ago the evils of reckless bank competition were such that the banks were compelled to devise means to protect themselves and the community from it. After thorough discussion a plan was matured, by which, under mutual agreement, a number of branches were closed in places where they were redundant, and measures taken to prevent the establishment of unnecessary branches in future. A committee was formed, under whose regulations all the banks in Scotland have worked their business, from time to time, with uniform rates for deposits, discounts and exchange, according to the circumstances of the money market. This arrangement has been in force for years, and has given satisfaction. Its operations have been beneficial to the community. No man desires to go back to the days of unlimited competition, and it cannot be denied that the producing, manufacturing and trading classes of Scotland are as prosperous as any community of similar size in the world. There is competition, but it is the competition, not who shall scatter the most money or take the poorest securities, but as to who shall be the most attentive, cautious and vigilant in carrying on his business. This competition benefits all parties concerned. But of the other kind Canada has had far more than enough, and has lost millions of money by it."

The following remarks were made by Mr. E. S. Clouston, general manager of the Bank of Montreal. "With a general absence of prosperity in commercial circles it could not be expected that banking would fare better, for, after all, the banks are but agencies of trade and commerce, used as a medium or channel for conducting the business of the country, and if that is unprofitable the banks cannot expect to prosper, no matter how able the management. After a period of unhealthy dearth in money, caused chiefly by panic and speculation, we are passing through one of equally unhealthy cheapness and low rates. Cheap money is not an unmixed good, and is often a sign, as in the present case, of general distrust and a widespread and far-reaching inactivity in business. As a general rule I do not think banks have had a prosperous year, not only because the times have been unpropitious, but also because the past year has been characterized by excessive competition, in some cases conducted in a manner that would hardly do credit to the financial management of a corner grocery. There have been lower rates for advances, higher rates for deposits, greater facilities granted for smaller remuneration, and all this with steadily increasing expenses. Fair competition may be healthy, but excessive competition is unhealthy and dangerous, and it is in a time like the present, of easy money, that, in order to gain accounts, or even retain them, concessions are granted, facilities given and obligations incurred, entirely at variance with true banking principles, which will surely bear bitter fruit later on. It is in a condition of affairs like the present that the seeds of future losses are sown. At the same time, I recognize that it requires almost more than

human strength of mind to watch steadily accumulating funds, employed at little or no profit, and avoid being tempted into transactions which would be declined if money was in good demand in the regular channels of trade."

CANADIAN BANKING.

At the recent dinner of the Canadian Bankers' Association, Mr. B. E. Walker, general manager of the Canadian Bank of Commerce, set forth some of the chief differences between the Canadian system and that of the United States:

"One of the strongest points of distinction lies in our branch system, by which we effect economy in the cost of management, in the use of capital and its distribution to the exact point at which it is required, and all those other economies, both of power and expenditure, which characterize the great industrial combinations now being so frequently created throughout the world. If we have communities lacking in enterprise, we accumulate deposits at such points which are automatically applied to enterprising places, say in the far West, where the deposits to be obtained locally bear no relation to the borrowing requirements of the community. We are in this way able to provide loans to the mercantile community at a rate of interest, if not lower in the eastern part of the continent, much lower throughout the western part of Canada than the rates paid by borrowers in the Western States. These advantages have been much more fully stated elsewhere, but we cannot too often regard them with pride and satisfaction.

"The point of difference regarding which we have perhaps most occasion to be proud is that of our bank note circulation. In the United States there is, properly speaking, no bank note circulation whatever, but for the purpose of comparison we may regard the notes of the National banks secured by the general Government as such. By a gradual evolution arising from our decennial battles at Ottawa we had reached a point where our notes, being a prior lien on the assets of the banks, were demonstrated to be good beyond peradventure—indeed, the history of banking since Confederation shows that, had the notes during that entire time been a prior lien on the assets of the banks, no one would eventually have suffered through the failure of a Canadian bank; and by resisting all attempts to have our notes specially secured, that is, secured by the deposit of Government bonds, we were enabled to preserve the absolutely necessary quality of elasticity. We therefore possessed in a perfectly satisfactory degree the two great qualities of safety and elasticity, but there were two qualities in the notes of the United States National banking system which our system lacked. Our notes might fall to a discount for geographical reasons, or at the moment of the suspension of a bank, if there was any doubt as to their being paid in full. The first difficulty was obviated by an imitation of the old Suffolk banking system. Centers of redemption were established in every province in the Dominion. The second, a much more serious difficulty, was removed by adopting the principle of insurance, the use of which is being extended in so many ways for the purpose of covering financial risks. We established a fund in the hands of the Government amounting to 5 per cent. of the total circulation. By this means we have created a circulation which is national in the best sense, that is, geographically, is as safe as any circulation in the world, and preserves the quality of elasticity.

"There is still one other point regarding which we may take pride. I

am not disposed to refer to banking as a profession; I am quite satisfied that it should be regarded as a business. But because of our system of large banks with many branches, the varied nature of the experience, and the chances of promotion, we have educated a class of men who in their particular calling have as thorough a training as men of the recognized professions."

ECONOMIC NOTES

PAPER MONEY PRINTED ONE THOUSAND YEARS AGO.

Within the last few days the trustees of the British Museum have become possessed of a Chinese bank-note which was issued from the Imperial Mint just three hundred years before the circulation of the first paper money in Europe. Whatever doubts may attach to the priority of certain other inventions claimed by the Chinese, it is impossible to deny that they were acquainted with the art of printing many centuries before the days of Gutenberg. According to the native records, the art of printing was in use in China in 593 A. D., but it does not appear to have been employed in the preparation of bank-notes until the ninth century. From that date notes were periodically issued until the middle of the fifteenth century, when the practice fell into disuse, and was only revived about forty or fifty years ago. The note of which we are now speaking is one which was issued in the first year, or one of the first years, of the reign of the first Emperor of the Ming dynasty, after the overthrow of the Mongol dynasty established by Kublai Khan. It was of the notes issued by the last-named sovereign—who was a profuse floater of paper money—that Marco Polo speaks when he says: "The great Khan caused the bark of trees, made into something like paper, to pass for money over all his country." According to the Venetian traveler, the notes were made "of the bark of a certain tree, in fact, of the mulberry tree, the leaves of which are the food of silkworms—these trees being so numerous that whole districts are full of them. What they take is a fine white bast or skin, which lies between the wood of the trees and the thick outer bark, and this they make into something resembling sheets of paper, but black." This exactly describes the material on which the present note is printed, and it is probable that paper manufactured in this way continued to be used for bank-notes until their issue was suspended, in about 1455. None of the notes seen by Marco Polo, and indeed none earlier than the present one, are known to exist, and of these only three copies are said to survive. The interest attaching to this rarity is, therefore, very great. It is older than the first real bank in Europe—that of Barcelona (1401); exactly three centuries separate the date of its issue from the establishment of the Bank of Stockholm (1668), which was the first bank in Europe to issue notes; and it is only a century later than the pieces of stamped leather—the prototypes of European bank-notes which were issued by the Emperor Frederick II. at the siege of Faenza in 1241. It is noteworthy that Kublai Khan's bank-notes were imitated in Persia by Kaikhatu Khan in 1294; and by Sultan Mahomed Tughlak in India in 1330-'31. In both these instances the over-issue of notes caused the suspension of the practice, and in China the same cause led to the same result in 1455.—*London Times.*

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

PRESENTMENT OF CHECK.

How soon after receipt of a check or sight draft *must* it be presented for payment, and protested in case of non-payment, so as to hold the indorser, and release the maker of said check or draft from any claim of parties originally depositing same for credit or collection?

REPLY.—A different rule applies to an indorser of a check than to the maker. To hold an indorser, presentment must be made within a reasonable time, and due notice must be given of non-payment. If the holder lives in the place where the drawee bank exists the check must be presented the day he receives it or the next one. If he neglects to do this, unless having reasons for the delay which the law regards as a sufficient excuse, the indorser will be discharged. (*Merchants' Bank v. Spicer*, 6 Wend. 445; *Little v. Phoenix Bank*, 2 Hill 429; *Murray v. Judah*, 6 Cow. 490; *Harker v. Anderson*, 21 Wend. 372.) But the maker is not discharged by further delay unless he can prove a loss in consequence of it, and then only to the extent of the injury. Suppose that he had ample funds for paying the check, had it been duly presented, but which were afterward lost in consequence of the failure of the bank, in such a case the loss would fall on the holder. This is familiar law, but as authorities are desired, those mentioned in Daniels (Neg. Inst. § 1,587) may be consulted. And the same rule applies to the presentation of sight drafts as to checks. (*Smith v. Jones*, 20 Wend. 192; *Harker v. Anderson*, 21 Wend. 372.)

COLLECTIONS.

Can drafts or collections not yet matured, sent by Bank A. (which afterwards suspends) to Bank B. for collection in the regular way of business, and indorsed "For collection and credit," etc., be held by Bank B. as an offset for amount due from the suspended Bank A. to said Bank B., even if drafts or collections were received by Bank A. from Bank C., and when the latter is not indebted to Bank A.?

REPLY.—From the form of the question we assume that the sending bank was the owner. Nothing is said about prior indorsements. If, however, the sending bank had received it specially indorsed, and, adding its own, sent it forward, unquestionably the owner could reclaim the paper or the proceeds. In *City Bank v. Weiss* (67 Texas 331) many authorities are given. But if the sending bank owned the check a different question is presented. If it has been collected and credited before the failure of the sending bank, the collecting bank can retain the proceeds, but when this has not been done, the assignee can order the return of the paper, or of the proceeds for general distribution.

BANKING AND FINANCIAL ITEMS.

GENERAL.

MR. HENRY E. HUTCHINSON, president of the Brooklyn Bank, which institution has recently moved into their new building at Fulton and Clinton streets, is a native of Vermont. He was educated at the Windsor High School of that State and was graduated from Amherst College with honor in 1858. After leaving college he taught school for a time at Montgomery, Ala., and was admitted to the bar. In 1860 he came North, qualified himself to practice law in the State and afterward held several business positions. He became a resident of Brooklyn on his return from the South, and in 1877 he was appointed cashier of the Brooklyn Bank. At this time Thomas Messenger was the president of the bank. In 1890 Mr. Hutchinson was elected president on the retirement of Elias Lewis, Jr., who had succeeded to the presidency of the bank upon the death of Mr. Messenger. The Brooklyn Bank is the second oldest institution of the kind in the city, having commenced business in 1832. Its place of business has always been in the vicinity of Fulton and Front streets, and the transfer to a building erected by the bank is an indication of the prosperity of the institution and is another proof of the tendency of banking business to concentrate about the City Hall. During Mr. Hutchinson's connection with the bank the deposits have doubled, and on January 1st last these amounted to \$1,759,556.59. Mr. Hutchinson is a trustee of the Hamilton Trust Co. and of the Long Island Safe Deposit Co. Socially he has taken an active interest in the Brooklyn Choral Society, having served as treasurer for four years, and succeeding William Berri as president. He is a member of the Union League Club, serving on the entertainment committee; a trustee of the Brooklyn Dispensary, a member of the New England Society and of the Alpha Delta Phi Club of New York. He has a country residence at Arverne-by-the-Sea, where he is a trustee of the Union Church.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CAL....Oakland...Central Bank.
CONN...Middletown...First Nat. Bank.
" ..Naugatuck...Naugatuck Nat. B'k.
LA....N. Orleans...State Nat. Bank.
ME....Bangor....First Nat. Bank.
MASS...Boston....Franklin Sav. Bank.
" ..Ipswich....First Nat. Bank.
" ..Marlborough...People's Nat. Bank.
" ..N. Adams...Hoosac Sav. Bank.

N. H....Manchester...Nat. B'k Commonw'h
N. Y....Buffalo....Bank of Commerce.
" ..Erie Co. Sav. Bank.
" ..Schenectady...Union Nat. Bank.
" ..Schenectady Bank.
OHIO...Portsmouth...Portsmouth Nat. B'k
PA....Bellwood...Bellwood Bank.
" ..Darby.....First Nat. Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

CONN...Middletown...Middletown Nat. B'k.
" ..Middletown Sav. B'k.
" ..Norwalk....Fairfield Co. Nat. B'k
" ..Willimantic...Windham Nat. B'k.
GA....Augusta...Nat. Exchange B'k.
ILL....Peoria....Merchants Nat. B'k.
ME....Portland...Portland Sav. B'k.
MD....Bel Air....Harford Nat. Bank.
MASS...Newburypt...Merchants Nat. B'k.
" ..Worcester...Quinsigamond N. B'k

N. H....Concord....N. Hamp. Sav. B'k.
N. Y....Albany....N. Y. State Nat. B'k.
" ..Dansville...Mer. & Far. Nat. B'k
" ..Southamt'n...Southampton Bank.
PA....Philadel....Far. & Mech. Nat. B'k
R. I....Newport...Nat. B'k of R. Island.
" ..Island Savings B'k.
TENN...Columbia...Second Nat. Bank.
VT....Newport....Nat. B'k of Newport.

SOME RECENT BANK DIVIDENDS :—

Location.	Name.	Semi- Annual.	Added to Surplus
		Percent.	
NEW YORK CITY.....	German American Bank.....	3½	
" ".....	Pacific Bank.....	2 quar.	
CONN...Hartford.....	Mercantile National Bank.....	3	
" " ".....	Phoenix National Bank.....	3½	
" " ".....	United States Bank.....	6	
" " ".....	Connecticut Trust & Safe Deposit Co....	4	
" "Middletown.....	Middletown National Bank.....	4	
" "New Britain.....	Savings Bank of New Britain.....	2	
" "Southington.....	Southington National Bank.....	3	
" " ".....	Southington Savings Bank.....	2½	
" "Wallingford.....	First National Bank.....	3	
" " ".....	Dime Savings Bank.....	2	\$600
FLA...Pensacola.....	First National Bank.....	6	20,000
ILL...Rockford.....	Manufacturers National Bank.....	3	
IOWA...Sioux City.....	Merchants National Bank.....	3	3,000
" " ".....	Home Savings Bank.....	4	
MD....Cumberland.....	First National Bank.....	5	
" " ".....	Second National Bank.....	6	
" "Frostburg.....	First National Bank.....	3	
MASS...Boston.....	Boston Safe Deposit & Trust Co.....	5	
" "Milford.....	Home National Bank.....	3	
" " ".....	Milford National Bank.....	3½	
" "Nantucket.....	Nantucket Institution for Savings.....	2	
" "Orange.....	Orange National Bank.....	3	
" "Plymouth.....	Plymouth Savings Bank.....	2½	
MINN...Redwood Falls.....	Citizens Bank.....	5	
N. J...Deckertown.....	Farmers National Bank.....	4	
" "Newton.....	Merchants National Bank.....	5	
" " ".....	Sussex National Bank.....	5	
" "West Hoboken.....	Hudson Trust & Savings Institution....	4	
N. Y...Cohoes.....	National Bank of Cohoes.....	4	
" " ".....	Manufacturers Bank.....	4½	
" "Dansville.....	Merchants & Farmers National Bank....	3	
" "Glens Falls.....	First National Bank.....	8	
" "Goshen.....	National Bank of Orange County.....	5	
" "Herkimer.....	First National Bank.....	3½	
" "Kingston.....	State of New York National Bank.....	2½	
" "Middletown.....	First National Bank.....	3	
" "Mount Vernon.....	Bank of Mount Vernon.....	4	
" "Newburgh.....	Highland National Bank.....	3½	
" " ".....	Quassaick National Bank.....	3½	
" "Port Jervis.....	First National Bank.....	5	
" " ".....	National Bank of Port Jervis.....	6	
" "Saratoga Springs.....	Citizens National Bank.....	4	
" "Saugerties.....	First National Bank.....	3	
" " ".....	Saugerties Bank.....	3	
" "Troy.....	Central National Bank.....	3	
" " ".....	Manufacturers National Bank.....	5	
" " ".....	Mutual National Bank.....	4	
" " ".....	National State Bank.....	5	
" " ".....	Troy City National Bank.....	3½	
" " ".....	Union National Bank.....	2½	
" " ".....	United National Bank.....	5	
" "Warwick.....	First National Bank.....	6	
PA...Boyertown.....	Farmers National Bank.....	3	
" " ".....	National Bank of Boyertown.....	3	
" "Norristown.....	Montgomery Ins. Trust & Safe Dep. Co.	3	10,000
" "Waynesborough.....	People's National Bank.....	3	
R. I...Warren.....	First National Bank.....	2	
" " ".....	National Warren Bank.....	3	
VT...Bellows Falls.....	Bellows Falls Savings Institution.....	2	
" "Burlington.....	Merchants National Bank.....	3½	
" "Montpelier.....	First National Bank.....	4	

BANKS WHICH ARE INCREASING THEIR CAPITAL :—

DAK. N. Grand Forks. Grand Forks National Bank, to \$200,000.
 IOWA... Carroll..... First National Bank, to \$100,000.
 " .. Davenport... Davenport Savings Bank, from \$200,000 to \$250,000.
 MINN... Minneapolis. Metropolitan National Bank, from \$150,000 to \$200,000.
 " .. " .. Farmers & Merchants State Bank, to \$75,000.
 NEB... Omaha..... Union National Bank, to \$250,000.
 N. H... Manchester... National Bank of the Commonwealth, to \$200,000.
 OHIO... Dayton..... Winters National Bank, \$300,000 to \$500,000.
 R. I.... Providence... Industrial Trust Co., \$500,000 to \$1,000,000.

A NEW COMPTROLLER OF THE CURRENCY.—The President has nominated A. B. Hepburn, of New York, to be Comptroller of the Currency *vice* E. S. Lacey resigned. The nominee is the present Examiner of National Banks in New York City, a position he has held for about three years. Prior to that he was Superintendent of State Banks of New York. He has had wide experience in the banking business and is regarded as especially qualified to perform the duties of his new office. He was very strongly indorsed for the position by bankers and business men in all parts of the country.

POOR'S MANUAL.—Advance sheets of *Poor's Manual* are issued, in which are presented a vast amount of interesting statistical information in regard to the railroads. This is the 25th number of the *Manual*, and in a quarter of a century the mileage of the railroads has increased from 39,250 to 170,601. The increase was greatest in the Western States, from 15,777 to 100,599 miles. In 1891 the miles of road worked were 164,324; the gross earnings were \$1,138,024,459; the net earnings, \$356,209,880; the gross earnings per mile \$6,926, and the net earnings per mile \$2,168. This is an increase over the preceding year of 6,287 miles, of \$47,381,899 gross earnings, and \$9,288,562 net earnings. The share capital corresponding to the mileage completed at the end of 1891 equaled \$4,809,176,651, against \$4,640,239,578 in 1890, the increase equaling \$168,937,073, the rate of increase being 3.6 per cent. The funded debts of all the lines at the close of the year aggregated \$5,235,295,074, a sum \$129,393,049 in excess of the total of 1890 (\$5,105,902,025), an increase of 2.5 per cent. The other forms of indebtedness of the several companies at the close of the year equaled \$345,362,503, against \$376,494,297 for 1890, a decrease of \$31,131,794. The total share capital and indebtedness of all kinds of all the roads making returns equaled, at the close of the year, \$10,389,834,228, an increase in the year of \$267,198,328 over the total of 1890, (\$10,122,635,900), the rate of increase for the year being 2.6 per cent. During 1891 the passenger train mileage was 320,712,013, the freight train mileage 493,541,969, and the mixed train mileage 16,948,394, a total of 831,202,376. The number of passengers carried was 556,015,802, and the tons of freight moved were 704,398,609.

EASTERN STATES.

HARTFORD, CONN.—The Hartford National Bank has celebrated its 100th anniversary with a banquet and speeches by President Bolter, United States Senator Hawley and others.

NEW HAVEN, CONN.—Next October the New Haven National Bank will have been one hundred years established. The event will be duly celebrated by the managers. A history of the bank is being prepared and will be ready by October. The bank was known as the New Haven Bank until the National banking act went into effect, when it became a National bank. There have been six presidents and an equal number of cashiers. Next to this institution came the Eagle Bank, which failed after a few years' business. Of the banks which survived, the Mechanics' Bank stands next to the New Haven in age.

NEW LONDON, CONN.—The stockholders of the Union Bank, the oldest banking institution in Connecticut, have held their annual meeting. The bank has just rounded out the first century of its existence, and an interesting paper giving a brief history of the bank for the past one hundred years was read by J. Lawrence Chew, the cashier. The bank has had six presidents and seven cashiers. The presidents

have been : Jedediah Huntington, 1792-1818; George Hallam, 1818-1825; William P. Cleveland, 1825-1834; Jonathan Starr, 1834-1852; Robert Coit, 1852-1858; William H. Chapman, the present incumbent, was elected June 3, 1858. The dividend paid by the bank on January last was the two hundredth and second, the institution having never found it necessary to pass a dividend. There are but five banking institutions in this country older than the Union Bank, the Bank of New York, instituted 1784, being one of them. The following board of directors was chosen: William H. Chapman, Robert Coit, George F. Finker, Israel Matson, E. Clark Smith, Horace Coit, Arnold Kudd, Peleg Williams, John W. Luce, J. Lawrence Chew, William B. Colt, Frank B. Brandigge, Ralph S. Smith. At a subsequent meeting of the directors officers were re-elected as follows : William H. Chapman, president; Robert Coit, vice-president; J. Lawrence Chew, cashier; C. Barry, Jr., and F. W. Gard, tellers.

CHARLESTOWN, MASS.—In compliance with an act of the last Legislature the Charlestown Five Cents Savings Bank, through its trustees, has requested all depositors to present their books as early as convenient for verification. This must be done, according to the new law, every three years.

BOSTON.—To allay any feeling of uneasiness that may have arisen because of the published reports of the connection of savings banks with the stock of the Maverick National Bank, the savings bank commissioners have announced that the proportion of savings banks that hold stock of the Maverick bank is quite small ; that those banks that hold Maverick stock as collateral are not assessable therefor, and that whatever banks do hold such stock are able to stand an assessment without the slightest possible effect upon their condition, a portion of their surplus being reserved for just such occasions.

FALL RIVER, MASS.—The Fall River National Bank has inaugurated a new departure, and will hereafter pay interest on deposits subject to check.

NEWARK, N. J.—Receiver Wilkinson, of the Newark Savings Institution, of Newark, N. J., which failed eight years ago, has announced that he will pay the last installment to depositors, making a payment of 100 per cent., and will also be able to give them interest of a fraction of one per cent. The receiver had as assets large blocks of Old Dominion stocks and Chesapeake and Ohio securities. These he persistently refused to sell, although frequently called upon by depositors to do so, assuring them that the time would come when he could dispose of them to such advantage as to fully satisfy them. He has kept his word. There are 22,536 accounts to be settled. When the bank collapsed on May 16, 1884, the sum due depositors was \$6,156,534.28. Of this amount eighty-five per cent. has been paid.

HOBOKEN, N. J.—A conference has been held between Councilmen Stegman and Weinthal, President Rabe and William Utz, representing the Second National Bank, President Dod of the First National Bank, and City Treasurer Smith, with a view to settle the question of interest on city deposits. The banks had paid three per cent. on all daily balances of \$5,000 and over, but both notified the Mayor and Council that they would cease paying interest altogether after July 1. The bank representatives made a proposition to pay two per cent. on all daily balances of \$25,000 or over, but the city representatives kicked vigorously. It was finally arranged that the city was to get two per cent. on all sums of \$10,000 or over, and also that in the event of the city wanting a loan the banks were to give it at prevailing market prices.

NEW YORK.—Hon. Wm. F. Creed, formerly of Malone, has been appointed by the Superintendent of the State Bank Department to be chief of the bank examiners. Mr. Creed has been one of the examiners for several months past, and this new appointment is a promotion.

NEW YORK CITY.—Joseph F. Blaut, president of the Madison Square Bank, has been entertained by a dinner given in his honor at the Hoffman House by the directors of the bank and a number of his most intimate friends. Among those present were the Hon. L. J. Fitzgerald, R. T. McDonald, E. S. Stokes and Lewis Thompson.

NEW YORK CITY.—Abraham Kuhn, who died at Frankfort-on-the-Main, was

well known in this city as one of the originators of the banking firm of Kuhn, Loeb & Co., of No. 30 Nassau street. He was born in Bavaria in 1819. He came to this country in 1839, landing at New York with only a few dollars. He went to Cincinnati and engaged in the clothing business with Albert Netter, Solomon Loeb and Solomon Wolff. The firm made money, and in 1867 Mr. Kuhn came to New York, and with Messrs. Loeb and Wolff established the banking house of Kuhn, Loeb & Co. In 1873 Mr. Kuhn, having made a fortune, retired from active business, but remained a special partner in the firm until 1873. Since 1882 he has been living in Europe with his family.

NEW YORK CITY.—The new structure on Sixth avenue in which the Greenwich Savings Bank has recently opened its business is one of the finest and most ornate of such establishments in the metropolis. The old-time savings banks, which have become popular with the masses of the people by reason of long and uninterrupted solvency and ability to pay depositors without notice under the thirty day rule, even in times of panic, have enormous profits from deposits never called after, and these alone, in many instances, are more than sufficient to provide them with the best banking properties in existence.

BUFFALO.—The Bank of Buffalo has publicly announced that it will make advances on the passbooks of small depositors of the National Savings Bank, and has received many applications. Some depositors had been saving up money to pay city taxes which are now due. The action of the Bank of Buffalo helps them out. Whether a receiver is appointed or a reorganization effected, the public are in this way immediately accommodated with a part of their money. The movement is strictly in line with conservative banking, and is at the same time an evidence of enterprise and attention to public wants.

PENNSYLVANIA.—About forty of the prominent bankers of Eastern Pennsylvania, outside of Philadelphia, have re-organized the body known as the "Associated Banks of Eastern Pennsylvania." An organization was effected by the adoption of a constitution and the election of the following officers: President, Theodore Strong, Pittston; first vice-president, George Shannon, Norristown; second vice president, Dr. Joseph Thomas, Quakertown; secretary, Frank M. Horn, Catasauqua, and treasurer, C. D. Moser, Reading. In the circular setting forth the object of organizing it was stated: "There was in active and successful existence some years ago, an association known as the Associated Banks of Eastern Pennsylvania. It had for its object a mutual interchange of views on matters pertaining especially to the business interests of inland banks, and incidentally to the giving of our over-worked bank officials once a year, or oftener, a 'day off' for the blending of social intercourse with the informal discussion of such matters of business as were deemed useful and interesting."

POITTSVILLE, PA.—The branch of the First National Bank, of Minersville, which has been in existence at Tremont for several years, closed business as a result of the decision of the Comptroller of the Currency prohibiting the opening of branch banking houses, unless specially chartered. This branch house has been a great convenience to the people of that vicinity and was the only one within a radius of ten miles.

WAYNESBORO, PA.—The People's National Bank, of Waynesboro, has only been in operation a year and a half, and yet shows a surplus of seven per cent. on its capital stock. The bank has already begun to pay a dividend of three per cent. semi-annually. The affairs of this institution are ably managed by J. H. Stoner, cashier, and patrons are rapidly multiplying.

PROVIDENCE, R. I.—Judge Eli Aylsworth has celebrated his ninetieth birthday. He is a lineal descendant of Arthur Aylesworth, a native of Scotland. The forefathers were early settlers in North Kingstown in southern Rhode Island. Judge Aylsworth saw little money in farming pursuits, and soon turned to mercantile, and for thirteen years sought a fortune in the rough and rugged up-country. Then he tried the Nutmeg State, and there he made money, dealing in groceries and keeping a number of rivals on the alert for a long time. In 1850 he came to Providence, having become a banker, and being in 1845 elected a director of the Mechan-

ics' Savings Bank. From 1845 until 1878 he held the place of director in that institution, and was also vice-president for twenty years of the bank. He was a director concurrently in the Atlantic Bank, and was the first president of the Jackson Bank. In 1858 Judge Aylsworth was elected president of the Westminster Bank, and holds that position to-day. Judge Aylsworth has held almost every office but that of Governor of the State. He was a justice of the peace, a deputy sheriff and a member of the General Assembly. In 1838 the title of judge was affixed to his name through his elevation to the Court of Common Pleas bench in Providence County. He was associated in that period with Hon. Thomas Burgess, Judge Daniels, Judge Uriel Potter, and Judge Armstrong. In the years 1854, 1866 and 1867 he had a seat in the Legislature. He was one of the committee to enlarge the present State house, and was chairman of the finance committee, and that was an economical administration.

NEWPORT, R. I.—It is nearly a century since the National Bank of Rhode Island was established in Newport, for it was organized as a State bank as long ago as 1795. It is known to all Newporters, as well as to a great many summer residents, as having no superior in the State for financial stability nor for the manner in which its business is conducted. Not so many years ago, while the venerable William A. Clarke was alive, it was really one of the curiosities of Newport, with its quaint banking-room, old-fashioned chairs, and odd things seen here and there. But in this place as in aught else, the old must give way to the new and progressive. And important changes have certainly been made at the corner of Thames street and Commercial wharf. The interior and exterior have been remodeled and the bank now presents a handsome appearance.

BENNINGTON, VT.—The First National Bank has just declared its 49th semi-annual dividend of 5 per cent. This bank, which has been exceptionally prospering, was organized February 25, 1868, but did not begin business until the following October. Its capital is \$110,000. It has a surplus of \$22,000, undivided profits of \$39,000, and individual deposits of \$300,000. About half a dozen years ago the bank divided the surplus fund of over \$100,000 among the stockholders. For several years the dividends were from 16 to 20 cents annually, and never have they been less than 10. The bank is located in its own banking house on West Main street. The present officers are: President, Luther R. Graves, who has held the position since the bank was organized; vice-presidents, H. G. Root and L. F. Abbott; cashier, George F. Graves.

The Bennington County National Bank was organized in 1878, and began business in the same year in the Park block on South street, where it is now located. The bank has just declared its semi-annual dividend of 3 per cent. Its capital is \$100,000. It has a surplus of \$8,500 and individual deposits of \$75,000. The present officers are: President, S. M. Sibley; vice-president, John S. Holden; cashier, Clement H. Cone.

WESTERN STATES.

LITTLE ROCK, ARK.—The new Citizens' Bank, of which E. J. Thompson is president, W. J. Thompson vice-president, and J. E. England cashier, although it has been established less than three months, now has upwards of 200 depositors, and is fast building up a very large general banking business. It is an assured success.

CHICAGO, ILL.—The Bankers' National Bank of Chicago is an assured institution. Hon. E. S. Lacey, who has been the Comptroller of the Currency for the past three years, and who has just resigned this office, is the president of the bank.

MICHIGAN.—State Bank Commissioner Sherwood's statement of the reports of 130 banks shows total resources and liabilities of \$72,424,176.88. The increase in deposits since the report of December 2, 1891, has been \$5,924,789.88; increase of capital, \$772,870; increase of surplus and undivided profits, \$225,380.22. Total increase, \$7,232,204.35.

MICHIGAN.—The Michigan Bankers' Association, through a committee appointed for the purpose, is endeavoring to perfect a system abolishing "par lists" with city

banks. If successful, it will do away entirely with the custom of country merchants sending their personal checks on local banks in payment of city bills.

DETROIT, MICH.—The city funds, amounting to \$1,300,000, have been transferred from the First and the Commercial National Banks to the Peninsular Savings Bank. The First and Commercial have been the custodians for the past twenty-five years. The Peninsular Bank divides this immense deposit with several other banks, one of whom is the Third National which took \$500,000. The bank filed a \$5,000,000 bond for the keeping of these funds.

ST. PAUL, MINN.—A few days since ex-City Treasurer George Reis started, accompanied by his wife, on a short pleasure trip to Europe. Having been at his desk almost continuously for eighteen years, this tour of recreation has certainly been well earned by him. Mr. Reis has looked forward to this visit to old fatherland and early stamping ground for years, and it had been his intention to spend a number of months abroad, but some of his most intimate friends who have the utmost confidence in his integrity and financial ability had decreed otherwise. They expressed the desire that he should accept the presidency of the reorganized Commercial Bank, the stockholders of which unanimously seconded their request. Mr. Reis, before leaving, gave his consent to this request in a letter to Albert Scheffer, who welcomes him as his successor. He will assume the duties thereby placed upon him on his return which will be hastened by this arrangement. Public confidence in Mr. Reis is such that his retention will materially add to place a worthy financial institution on its feet again.—*St. Paul News*.

MINNEAPOLIS.—An important case has been decided by the Board of Equalization. The Irish-American Bank had a petition asking for an abatement of taxes on the \$13,000 of undivided profits of that institution. It was claimed that it had been given to the assessor inadvertently, and that, as the undivided profits of the larger banks were not taxed, those of the petitioner should be exempt. Acting on the advice of the attorney-general, the board decided that the undivided profits of State banks are taxable, and the State bank examiner will be asked to furnish a list of these funds so that the banks may be assessed.

ST. LOUIS.—Officers of the Bank Clerks' Association of Missouri were elected at the meeting of the Board of Directors yesterday, as follows: President, E. S. Pepper; vice-president, C. E. Kircher; treasurer, H. Miljer; corresponding secretary, F. Falkenhainer. The association has about 300 members, and will hold monthly meetings for the discussion of matters relative to the banking business.

SOUTHERN STATES.

HENDERSON, KY.—The Henderson National Bank has divided \$50,000 of its \$100,000 surplus among its stockholders in order to escape the increased taxation under the new Constitution.

OLDTOWN, MD.—The American National Bank officials had a formal opening of their new banking house July 19. The new building is one of the handsomest of its kind, being built of the new narrow yellow bricks now used so extensively in erecting public buildings. The trimmings are all of granite and handsomely carved. The interior is finished in hard wood, while the tile flooring is a work of art. Behind the railing or enclosure the desks and office furniture are to be seen, all of the latest and most improved style.

COLUMBIA, S. C., has her sixth bank now in operation, named the Farmers and Mechanics' Bank. The officers of this organization are Mr. John H. Huie president; Dr. W. T. C. Bates, vice-president, and Mr. I. L. Withers, cashier. Says the *Columbia State*: The directors of the new Farmers and Mechanics' Bank have shown excellent judgment in electing as cashier Mr. I. L. Withers, whose high character and splendid business capacity command the admiration and respect of all who know him.

NORFOLK, VA.—The Citizens' Bank, which is one of the best institutions of the kind in the country, has just celebrated its quarter of a century in business by issuing an extra dividend of three per cent. to its stockholders, and the publication of a brief history of the bank from its organization, which says: A quarter of a century

has passed since the organization of the Citizens' Bank, of Norfolk, Virginia, and the board of directors has deemed it proper to commemorate the event by declaring an extra dividend to the stockholders, and to accompany the delivery of the same with a brief history of the bank from its organization. The Citizens' Bank was organized in May, 1867, with Richard Taylor as president, and W. W. Chamberlaine as cashier, and the following directors, viz.: R. H. Chamberlaine, W. W. Sharp, C. W. Grandy, D. D. Simmons, Wm. H. Peters, G. W. Rowland, G. K. Goodridge, R. C. Taylor, Richard Walke, Jr., and Richard Taylor. The bank started with a paid-up capital of \$50,000, and, having the confidence of the community, at once commanded a full share of public patronage. In 1872 President Taylor resigned to become president of another bank, and was succeeded by Mr. Richard H. Chamberlaine, who died in office, in July, 1879. Mr. Wm. H. Peters succeeded Mr. Chamberlaine, and continues as president of the bank. In January, 1877, Mr. Walter H. Doyle was elected assistant cashier, and in 1879 he was made cashier, Mr. W. W. Chamberlaine having resigned to become treasurer of the Seaboard & Roanoke Railroad. Mr. Doyle has occupied the position continuously, and is now the cashier. In July, 1885, the capital was increased to \$100,000, \$40,000 of which was capitalized from the surplus fund, and the remaining \$10,000 was paid in by the stockholders. In July, 1889, the capital was further increased to \$200,000, \$50,000 coming out of the surplus fund, and \$50,000 allotted to desirable depositors—not stockholders. In October, 1891, the capital of the bank was again increased to its present capital of \$300,000. The increase was allotted to and taken by the stockholders. The dividends declared since the organization of the bank, in May, 1867, aggregate \$267,185.50, being 389 per cent. or 15.56 per cent. per annum. The surplus fund and undivided profits have steadily accumulated, and aggregate to-day \$90,000, notwithstanding the liberal dividends declared. Mr. Peters, the present president, was one of the original directors of the bank and has maintained an unbroken service in that capacity, and in that of president, during the bank's entire existence of twenty-five years. Mr. Doyle, the present cashier, entered the service of the bank in July, 1868, and has served continuously most of the time as cashier, covering a period of twenty-four years. Those who are now, or have heretofore been, associated with the Citizens' Bank may take pride in the position it has uniformly maintained, and can justly claim that it has, at all times, discharged its duty to the public and its stockholders. Directors, May, 1867: Richard Taylor, president; R. H. Chamberlaine, W. W. Sharp, C. W. Grandy, D. D. Simmons, Wm. H. Peters, G. W. Rowland, G. K. Goodridge, R. C. Taylor, Richard Walke, Jr., W. W. Chamberlaine, cashier. Directors, May, 1892: Wm. H. Peters, president; W. Charles Hardy, John N. Vaughan, J. W. Perry, G. M. Serpell, C. A. Woodard, J. G. Womble, George C. Reid, Howard N. Johnson, McD. L. Wrenn, Walter H. Doyle, cashier. The Citizens' Bank is known far and wide for its conservative management and solidity, and it is for this reason that its prosperity has been so marked. It must be exceedingly gratifying to its officers and stockholders to know these things, and it gives *The Virginian* pleasure to say so.

PACIFIC STATES.

CALIFORNIA.—The bank resources of California in 1891 were increased about \$18,000,000, and deposits about \$15,000,000. The savings banks of California showed an increase of resources for 1891 of \$15,000,000. California is certainly obtaining her share of the increase of wealth.

SAN FRANCISCO.—The rumors circulated last February about the contemplated resignation of Lloyd Tevis as president of Wells, Fargo & Co.'s Express Company and Bank are now officially verified. Mr. Tevis has resigned, and his place has been filled by Vice-President Valentine. Mr. Tevis' fortune is estimated at \$20,000,000.

FOREIGN.

MONTREAL.—A large and influential deputation of merchants and bankers have waited on the City Council to protest against the proposed taxation of bank stock. Among those present were noticed Messrs. F. Wolferstan Thomas, George Hague, W. Weir, Crombie, Chaput, of Chaput Freres, H. Joseph, Bousquet, Barbeau, Brunet, Morin and F. X. St. Charles.

MONTREAL.—Mr. George Hague, general manager of the Merchants' Bank, at Montreal, showed in his remarks at the annual meeting that the circulation of the bank had increased from \$2,127,000 in 1880 to \$2,731,000 in 1892; deposits had increased in the same period from \$7,296,000 to \$10,644,000, and discounts from \$10,822,000 to \$16,766,000. The circulation increased by 28 per cent., the deposits by 45 per cent., and the discounts by nearly 55 per cent. Like statements come from nearly all the other banks in the Dominion. Their business has steadily increased; and the increase in bank business is a sure indication of the increase in business generally throughout the country. Bank discounts are almost an accurate measure of business, and the expansion of deposits and discounts proves that the country is prospering, just as the contraction of deposits and discounts from 1874 to 1879 proved that the country was suffering. At the same time the net earnings of the bank were not quite equal to those of last year, though the volume of business done was much larger. This indicates simply that money is getting cheaper, and that banks and other lenders are compelled to accept lower interest than they could exact in former years.

CANADIAN BANK OF COMMERCE.—At the last annual meeting, the president of the institution, Mr. George A. Cox, remarked to the shareholders: "This is the twenty-fifth anniversary of the founding of this bank, and it may be interesting to you if I direct your attention for a short time to the growth it has made since the date of organization. Perhaps the simplest test of the position it has gained among its fellow institutions is shown by the growth of its deposits. At the close of 1867 they amounted to \$766,000; at the close of 1877, \$7,304,000; 1887, \$10,082,000; while at the 31st May, 1892, they have reached the splendid figures shown in our statement, namely, \$17,000,184. There are banks in this province with capital stocks much smaller than ours which have been able to accumulate larger rest accounts, and to pay larger dividends, and we view their success with pride as we do that of any commercial institution founded in this province. But the problem before a bank with a large capital, and that before a bank with a small capital, differs materially, and I am sure our shareholders will hear with great satisfaction the facts and figures I am about to read setting forth some of the results of our first quarter century of business. The fact that the dividend just paid is the fiftieth dividend shows that in our history we have never failed to pay half-yearly dividends. For the entire period the dividends average about seven and three-quarters per cent. per annum on the capital paid up, and the aggregate of dividends paid amount to the very large sum of \$10,137,955. If the dividend in the bank's earlier years had been smaller, as they doubtless should have been, the rest account would at this moment be large enough to satisfy any of us. Again, if the capital had been smaller, the percentage of results would have been larger. But we are here to state the situation as it is, and the fact that we have made profits during the last twenty-five years in dividends paid and rest accumulated of over eleven million dollars, is a sufficient achievement, we think, to meet your approval. We believe we are safe in saying that no Canadian bank of the larger class can show such a satisfactory record in its first quarter century. We enter upon our second quarter century with assets of over \$27,000,000, with a large and steadily increasing business, with many highly valued customers and important connections, with an able and well organized staff, and I see no reason why we should not enter upon it full of gratitude for the past and full of hope for the future."

BANK OF MONTREAL.—At the seventy-fourth annual meeting of the shareholders, which has just been held, the president, Hon. Sir D. A. Smith, thus remarked concerning the growth of the bank: "Permit me to compare the position of the bank now with what it was in its earlier years. In 1817 its capital was \$350,000 and, by the way, as there was no other bank, this represented the entire banking capital, not only in Montreal, but of the whole of Canada, while at present the capital of the banks doing business in Montreal alone is upwards of \$50,000,000. In 1819 your capital was \$650,000 and you then had a magnificent rest of \$4,168, while 8 per cent. interest was paid. Later on, however, on several occasions only 6 per cent. was distributed in dividends. Gradually the capital was increased until in 1841 it was \$2,000,000; in 1845, \$3,000,000, in 1855, \$4,000,000; 1860, \$6,000,000, and 1873, \$12,000,000, as it now stands, with a rest of 50 per cent., or \$6,000,000. It may be a question whether it might not have been more prudent

to have stopped short at eight instead of \$12,000,000, and I believe the experience of the bank is that for some years back it would have been easier to earn a considerably larger dividend on the smaller sum, instead of the 10 per cent. on the \$12,000,000, as is now paid. As with the Bank of Montreal so has the commerce of the whole country vastly increased within the last fifty and more particularly twenty-five years."

CITY OF MEXICO.—The National Bank of Mexico held its annual meeting, at which a satisfactory report was presented by the directors and accepted. The bank showed an increase of gross profits in its business for 1891 over the previous year, and a larger volume of business was transacted, the bank coming to the relief of trade after the failure of the crops last year. The total paid-in capital of the institution is \$8,000,000, and on this the total net profit was \$1,813,623. Of this, \$1,120,000 was paid in dividends to the ordinary shareholders, \$128,000 to founders, and \$85,333 to the council of administration. Besides this, \$431,362 was added to the reserve fund, bringing that fund up to \$3,126,612. The report of the directors has created a strong sentiment of confidence in the financial community, as it shows the National bank to be in a sound condition and amply able to pay handsome dividends.

The reports of the New York Clearing-house returns compare as follows :

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
July 2.	\$494,464,100	\$91,636,600	\$80,102,100	\$534,608,400	\$5,538,400	\$18,086,000
" 9.	492,187,400	90,675,200	57,584,500	530,730,700	5,585,400	15,577,025
" 16.	482,436,000	90,099,600	61,073,200	523,862,600	5,556,500	20,207,190
" 23.	480,378,200	91,257,800	62,817,900	524,047,600	5,455,400	23,003,800
" 30.	484,933,300	91,711,700	64,795,600	529,104,100	5,438,500	24,231,275

The Boston bank statement is as follows :

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
June 25.	\$171,796,000	\$11,649,000	\$5,869,000	\$158,775,000	\$4,674,000
July 2.	173,758,600	11,430,900	5,495,600	159,373,600	4,715,000
" 9.	172,922,000	11,718,000	5,701,000	158,295,000	4,706,000
" 16.	171,553,000	11,895,000	6,415,000	159,461,000	4,706,000
" 23.	170,873,000	11,705,000	6,320,000	154,426,000	4,725,000

The Clearing-house exhibit of the Philadelphia banks is as annexed :

1892.	Loans	Reserves	Deposits.	Circulation.
July 2	\$103,639,000	\$41,253,000	\$119,140,000	\$3,515,000
" 9.	104,459,000	41,809,000	119,523,000	3,326,000
" 16.	105,563,000	40,818,000	119,921,000	3,538,000
" 23.	105,819,000	40,779,000	119,446,000	3,527,000
" 30.	106,276,000	40,272,000	119,740,000	3,531,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows :

QUOTATIONS :	July 5.	July 11.	July 18.	July 25.
Discounts.....	4 @ 5	4½ @ 5½	4½ @ 5½	4½ @ 6
Call Loans.....	5 @ 1½	2½ @ 1	2 @ 1½	2 @ 1
Treas. balances, coin	\$90,228,098	\$88,576,915	\$87,909,341	\$88,247,610
Do. do currency.....	19,367,927	19,009,318	17,544,353	18,110,636

Sterling exchange has ranged during July at from 4.88 @ 4.88½ for bankers' sight, and 4.87 @ 4.87½ for 60 days. Paris—Francs, 5.15½ @ 5.15 for sight, and 5.17½ @ 5.16½ for 60 days. The closing rates for the month were as follows : Bankers' sterling, 60 days, 4.87 @ 4.87½; bankers' sterling, sight, 4.88 @ 4.88½; cable transfers, 4.88½ @ 4.88½. Paris—Bankers', 60 days, 5.17½ @ 5.16½; sight, 5.15½ @ 5.15. Antwerp—Commercial, 60 days, 5.18½ @ 5.18½. Reichmarks (4)—bankers', 60 days, 95¼ @ 95½; sight, 95½ @ 95¼. Guilders—bankers', 60 days, 40¾ @ 40 3-16; sight, 40¾ @ 40 7-16.

NEW BANKS, BANKERS, AND SAVINGS BANKS

(Monthly List, continued from July No., page 71.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker</i>	<i>Cashier and N. Y. Correspondent.</i>
ALA....	Florence.....	Merchants Bank.....	Chemical National Bank.
	\$25,500	John H. Young, <i>P.</i>	S. S. Broadus, <i>Cas.</i>
		M. R. Shelton, <i>V. P.</i>	
" ..	Fort Payne.....	Fort Payne Bank.....	United States National Bank.
	\$50,000	A. L. Campbell, <i>P.</i>	Wm. P. Hemphill, <i>Cas.</i>
		M. W. Howard, <i>V. P.</i>	
CAL....	Williams.....	Bank of Williams.....	Fourth National Bank.
	\$200,000	Jesse C. Stovall, <i>P.</i>	Willard Smith, <i>Cas.</i>
		John F. Fouch, <i>V. P.</i>	
COL....	Antonito.....	W. S. McMullan & Co ...	Seaboard National Bank.
	\$15,000	W. S. McMullan, <i>P.</i>	A. J. McMullan, <i>Cas.</i>
		H. L. McMullan, <i>V. P.</i>	
" ..	Cheyenne Wells.	Patchen Bros.....	Willard L. Patchen, <i>Cas.</i>
	\$1,000	Arthur C. Patchen, <i>P.</i>	
" ..	Durango.....	Smelter National Bank...	Hanover National Bank.
	\$50,000	Chas. E. McConnell, <i>P.</i>	Wm. A. Nicodemus, <i>Cas.</i>
		Frank A. Wingate, <i>V. P.</i>	
DAK. N.	Wheatland....	State Bank.....	Richard Mares, <i>Cas.</i>
	\$5,000	Ernest Mares, <i>P.</i>	
		A. E. Mares, <i>V. P.</i>	
DAK. S.	Marion.....	City Bank.....	Wm. Gray, <i>Cas.</i>
	\$15,000	Richard F. Gray, <i>P.</i>	
" ..	Tripp.....	Tripp State Bank.....	Gilman, Son & Co.
	\$10,000	A. VanWagenen, <i>P.</i>	E. A. Leach, <i>Cas.</i>
GA....	Blackshear	Blackshear Bank.....	
	\$25,000	A. P. Brantley, <i>P.</i>	
		B. D. Brantley, <i>V. P.</i>	
IDAHO..	Wallace.....	First National Bank.....	Horace M. Davenport, <i>Cas.</i>
	\$50,000	Frank F. Johnson, <i>P.</i>	
ILL....	Chapin.....	Chapin State Bank...	Chase National Bank.
	\$25,000	John Onken, <i>P.</i>	Arthur L. Freuck, <i>Cas.</i>
		Chas. S. Freuck, <i>V. P.</i>	
" ..	Chenota	State Bank.....	Bank of New York N. B. A.
	\$30,000	W. A. Haynes, <i>P.</i>	Chas. Nickel, <i>Cas.</i>
			L. L. Silliman, <i>Ass't.</i>
" ..	Evanston	Evanston National Bank..	Tradesmens National Bank.
	\$100,000	Henry Wells, <i>P.</i>	John C. Austin, <i>Cas.</i>
		Nat. R. Hill, <i>V. P.</i>	John C. Terhune, <i>Ass't.</i>
" ..	Farmington....	Farmington Bank.....	
		Nathaniel H. Meeker, <i>P.</i>	Jackson Mason, <i>Cas.</i>
" ..	Peoria.....	Home Savings & State B'k.	Phenix National Bank.
	\$120,000	Valentine Ulrich, <i>P.</i>	Frank Trefzger, <i>Cas.</i>
		Chas. E. Ulrich, <i>V. P.</i>	
IND....	Carlisle	Peoples Bank.....	Merchants National Bank.
	\$15,000	Josiah T. Akin, <i>P.</i>	Edgar T. Akin, <i>Cas.</i>
		Chas. T. Akin, <i>V. P.</i>	
" ..	Goshen	State Bank.....	Chase National Bank.
	\$50,000	LaPorte Heefner, <i>P.</i>	David W. Neidig, <i>Cas.</i>
		Wm. D. Platter, <i>V. P.</i>	
" ..	Mentone.....	Farmers Bank.....	
	\$10,000	A. C. Manwaring, <i>P.</i>	E. M. Eddinger, <i>Cas.</i>
		M. E. Hire, <i>V. P.</i>	L. D. Manwaring, <i>Ass't.</i>
IOWA...	Jamaica.....	Citizens Bank.....	Carman L. Ferree, <i>Cas.</i>
	\$25,000	Geo. M. Reynolds, <i>P.</i>	
		M. M. Reynolds, <i>V. P.</i>	
" ..	Laurens.....	State Bank.....	Chase National Bank.
	\$50,000	Chas. S. Allen, <i>P.</i>	B. L. Allen, <i>Cas.</i>
		Frank Deklotz, <i>V. P.</i>	B. L. Saum, <i>Ass't.</i>
" ..	Rock Rapids...Iowa	Bank.....	Frank E. Gebson, <i>Cas.</i>
		P. M. Casody, <i>P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IOWA....	Ruthven.....	Ruthven Savings Bank..... Thos. Skevington, <i>P.</i> C. E. Smith, <i>V. P.</i>	E. P. Barringer, <i>Cas.</i>
"	..Shenandoah....	Farmers & Traders Bank.. \$30,000 J. W. Alden, <i>P.</i>	Chase National Bank. J. F. Schick, <i>Cas.</i>
"	..Washington....	Citizens Savings Bank.... \$25,000 Joseph Keck, <i>P.</i> Frank Stewart, <i>V. P.</i>	Chas. H. Keck, <i>Cas.</i>
KAN....	Overbrook	Kansas State Bank..... \$10,000 John M. Eagon, <i>P.</i>	American Exchange Nat'l Bank. Edward J. Hilkey, <i>Cas.</i>
"	..Sharon Springs..	Bank of Wallace Co..... \$10,000 Franklin A. Smith, <i>P.</i>	Chase National Bank. Frank L. Rice, <i>Cas.</i>
KY.....	Newport.....	Newport National Bank... \$100,000 John C. Schroll, <i>P.</i> R. W. Nelson, <i>V. P.</i>	Waller Overton, <i>Cas.</i>
ME.....	Guilford.....	First National Bank..... \$50,000 Henry Hudson, <i>P.</i> A. W. Ellis, <i>V. P.</i>	Harry W. Davis, <i>Cas.</i>
MASS....	Ipswich	First National Bank..... \$50,000 Henry B. Little, <i>P.</i> Wm. P. Russell, <i>V. P.</i>	Chas. M. Kelly, <i>Cas.</i>
"	..Melrose	Melrose National Bank.... \$100,000 Decius Beebe, <i>P.</i>	John Larrabee, <i>Cas.</i>
"	..Somerville	Somerville National Bank.. \$100,000 Quincy A. Vinal, <i>P.</i> John A. Gale, <i>V. P.</i>	Jas. F. Beard, <i>Cas.</i>
MICH...	Greenville.....	E. Middleton & Sons.....	First National Bank. Wellington G. Clark, <i>Cas.</i>
MINN...	Carlton	Carlton Co. Bank..... \$10,000 (Asa Paine.)	Chase National Bank.
"	..Clarkfield	Clarkfield State Bank..... \$30,000 D. A. McLarty, <i>P.</i> P. O. Lieberg, <i>V. P.</i>	Importers & Traders Nat. Bank. C. S. Orwoll, <i>Cas.</i>
"	..Hawley	Bank of Hawley..... \$12,000 Boliver G. Gill, <i>P.</i>	Ole Olson, <i>Cas.</i>
"	..Heron Lake....	People's State Bank..... \$25,000 John W. Benson, <i>P.</i> John Trimble, <i>V. P.</i>	Chase National Bank. John L. Gessell, <i>Cas.</i>
"	..Hutchinson	Citizens Bank..... \$30,000 Wm. E. Harrington, <i>P.</i> H. H. Ames, <i>V. P.</i>	First National Bank. P. P. Pendergast, <i>Cas.</i> A. H. Roseboom, <i>Ass't.</i>
"	..Madelia.....	State Bank..... H. B. Wadsworth, <i>P.</i> W. S. Hammond, <i>V. P.</i>	M. S. Dossett, <i>Cas.</i>
"	..Thief Riv. Falls.	Polk Co. Bank..... A. L. Gallasch, <i>P.</i> C. Hendrickson, <i>V. P.</i>	
"	..Wheaton.....	Citizens Bank..... \$25,000 Henry B. Cory, <i>P.</i>	Western National Bank. Chas. H. Davidson, Jr., <i>Cas.</i>
MISS....	McComb.....	McComb City Bank..... \$25,000 Elmer L. Williams, <i>P.</i> J. J. White, <i>V. P.</i>	Nat. Bank of North America. Vernon C. Talbert, <i>Cas.</i>
MO.....	Aurora.....	Miners & Merchants Bank.. \$20,000 Geo. W. Rinker, <i>P.</i> Wm. H. Robertson, <i>V. P.</i>	National Bank Commerce. Wayland B. Booth, <i>Cas.</i>
"	..Bevier	State Bank..... \$15,000 Henry M. Powell, <i>P.</i> D. D. Rowland, <i>V. P.</i>	Western National Bank. David L. Sprecher, <i>Cas.</i>
"	..Bloomfield	Bloomfield Exchange Bank.. \$10,000 Amos J. Petrick, <i>P.</i>	Jos. G. Haydock, <i>Cas.</i>
"	..Bowling Green..	Bowling Green Bank..... \$20,000 John W. Beavers, <i>P.</i> W. H. Tinker, <i>V. P.</i>	
"	..Buckner.....	Bank of Buckner..... \$10,000 T. G. Hall, <i>P.</i>	Geo. H. Avitt, <i>Cas.</i>
"	..Clearmont	Jackson Bank..... \$20,000 Wm. W. Newlon, <i>P.</i> M. Ritenour, <i>V. P.</i>	Ira B. Newlon, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MO.....	Freeman.....	Bank of Freeman..... \$5,000 J. W. Colburn, <i>P.</i>	Thos. Lynn, <i>Cas.</i>
"	.. Garden City.....	Farmers Bank..... \$7,500 Alfred Stevens, <i>P.</i>	J. C. Flook, <i>Cas.</i>
"	.. Lancaster.....	Farmers & Merch. Sav. B'k \$23,100 Christian Figge, <i>P.</i>	David T. Clement, <i>Ass't.</i>
"	.. New Cambria ..	New Cambria State Bank.. \$7,500 Spencer Green, <i>V. P.</i>	Oliver F. Birney, <i>Cas.</i>
"	.. Purdy.....	Bank of Purdy..... \$10,000 Chas. Duss, <i>P.</i>	Hanover National Bank. Harvey G. Riggs, <i>Cas.</i>
"	.. St. Louis.....	Jefferson Bank..... \$100,000 G. Goodson, <i>V. P.</i>	Will Mars, <i>Cas.</i>
"	.. St. Louis.....	Jefferson Bank..... \$100,000 Jas. M. Carpenter, <i>P.</i>	Hanover National Bank. Russell E. Gardner, <i>Cas.</i>
NEB....	Central City.....	Platte Valley State Bank.. \$20,000 J. F. Conrad, <i>V. P.</i>	American Exchange National B'k David Martin, <i>P.</i>
"	.. Murdock.....	Bank of Murdock..... \$5,000 John Patterson, <i>V. P.</i>	Frank Sears, <i>Cas.</i>
"	.. Murdock.....	Bank of Murdock..... \$5,000 David Dean, <i>P.</i>	Chemical National Bank. Chas. N. Folsom, <i>Cas.</i>
N. H....	Claremont.....	People's National Bank... \$100,000 Chas. F. Law, <i>V. P.</i>	Frank P. Folsom, <i>Ass't.</i>
"	.. Claremont.....	People's National Bank... \$100,000 Frank P. Maynard, <i>P.</i>	Hanover National Bank. Geo. A. Tenney, <i>Cas.</i>
N. J....	East Orange.....	East Orange National B'k.. \$100,000 Geo. H. Stowell, <i>V. P.</i>	Chase National Bank. Fred'k M. Shepard, <i>P.</i>
"	.. East Orange.....	East Orange National B'k.. \$100,000 J. Frank Fort, <i>V. P.</i>	Wm. H. Bryan, <i>Cas.</i>
OHIO...	Ashtabula.....	Ashtabula Bank Co..... \$25,000 Harvey J. Nettleton, <i>P.</i>	Seaboard National Bank. J. Sum Blyth, <i>Cas.</i>
"	.. Cleveland.....	Western Reserve Nat'l B'k. James Pickands, <i>P.</i>	Geo. S. Russell, <i>Cas.</i>
"	.. Cortland.....	First National Bank..... \$50,000 John F. Rust, <i>V. P.</i>	Geo. F. Clewell, <i>Ass't.</i>
"	.. Eaton.....	Eaton Banking Co..... \$50,000 Wm. H. Wartman, <i>P.</i>	National Bank of Republic. E. F. Briscoe, <i>Cas.</i>
"	.. Huron.....	First National Bank..... \$50,000 N. A. Cowdery, <i>V. P.</i>	John H. Musselman, <i>Cas.</i>
"	.. Mineral Point...	People's Deposit Bank.... \$15,000 Edwd. S. Stotler, <i>P.</i>	John M. Gale, <i>Ass't.</i>
"	.. New Madison...	Farmers Bank..... \$25,000 Harvey Paddack, <i>V. P.</i>	Hanover National Bank. Thos. M. Sprowl, <i>Cas.</i>
"	.. Wakeman.....	Wakeman Bank Co..... \$25,000 Wm. H. Hine, <i>P.</i>	Chase National Bank. Thomas E. Wilson, <i>Cas.</i>
"	.. Wakeman.....	Wakeman Bank Co..... \$25,000 Alexander Wunderly, <i>V. P.</i>	Hanover National Bank.
"	.. Wakeman.....	Wakeman Bank Co..... \$25,000 H. G. Bloom, <i>P.</i>	Chase National Bank.
"	.. Wakeman.....	Wakeman Bank Co..... \$25,000 S. H. Todd, <i>P.</i>	G. W. Close, <i>Cas.</i>
ORE....	Dallas.....	Dallas City Bank..... \$50,000 A. J. Barney, <i>V. P.</i>	National Park Bank. M. M. Ellis, <i>P.</i>
"	.. Dallas.....	Dallas City Bank..... \$50,000 Wm. Savage, <i>V. P.</i>	C. G. Coad, <i>Cas.</i>
S. C....	Columbia.....	Farmers & Mechanics B'k.. \$10,000 John H. Huiet, <i>P.</i>	United States National Bank. I. L. Withers, <i>Cas.</i>
"	.. Columbia.....	Farmers & Mechanics B'k.. \$10,000 W. T. C. Bates, <i>V. P.</i>	United States National Bank.
TEXAS..	Blooming Grove.	First National Bank..... \$50,000 S. W. Grimes, <i>P.</i>	Hanover National Bank. M. G. Young, <i>Cas.</i>
"	.. Pilot Point.....	Pilot Point National Bank. \$60,000 T. W. Sewell, <i>V. P.</i>	Fourth National Bank. A. H. Gee, <i>P.</i>
"	.. Pilot Point.....	Pilot Point National Bank. \$60,000 A. P. Crogrove, <i>V. P.</i>	Fourth National Bank.
UTAH...	Mount Pleasant Mt.	Pleasant Com'l & Sav. B'k. \$50,000 N. S. Neilson, <i>P.</i>	Chase National Bank. S. J. Neilson, <i>Cas.</i>
"	.. Mount Pleasant Mt.	Pleasant Com'l & Sav. B'k. \$50,000 Jacob Johnson, <i>V. P.</i>	Chase National Bank.

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
VT.....	Chester.....	Chester Savings Bank..... F. W. Pierce, <i>P.</i> F. W. Adams, <i>Treas.</i> Wm. Rounds, <i>V. P.</i> C. O. Fullam, <i>Ass't Treas.</i>	
W. VA.....	Ceredo.....	First National Bank..... \$50,000 Samuel S. Vinson, <i>P.</i> Louis Prichard, <i>Cas.</i>	
Wis....	Fort Howard...	McCartney National Bank..... \$50,000 David McCartney, <i>P.</i> Joseph H. Tayler, <i>Cas.</i> William Larsen, <i>V. P.</i>	
"	Lancaster.....	Meyer-Showalter State B'k..... \$25,000 R. B. Showalter, <i>P.</i> Fred. P. Meyer, <i>Cas.</i> R. Meyer, Jr., <i>V. P.</i> V. L. Showalter, <i>Ass't.</i>	Chemical National Bank.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from July No., page 74.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N.Y. CITY... Hamilton Bank.....	Irving C. Gaylord, <i>Cas.</i>	Carroll St. John.
" " Holland Trust Co.....	John D. Vermeule, <i>P.</i>	Robt. B. Roosevelt
ALA.... First National B'k, Talladega	J. T. Dumas, <i>V. P.</i>	
ARK.... Gate City Nat. Bank,	F. W. Mullins, <i>P.</i>	J. G. Kelso.
" Texarkana,	W. W. Sanders, <i>V. P.</i>	L. A. Byrne.
CAL.... First National Bank, Colton...	J. W. Roberts, <i>V. P.</i>	W. R. Fox.
COL.... First Nat'l B'k, Idaho Springs.	Silas Hanchett, <i>V. P.</i>	J. M. Graham.*
CONN... Collinsville Savings Society,	Geo. W. Flint, <i>P.</i>	Chas. H. Blair.
" Collinsville,	D. W. Driscoll, <i>V. P.</i>	W. W. Hartwell.*
DAK. N. Grafton National Bank,	J. L. Kittlesby, <i>Ass't.</i>	M. W. Harden.
" Grafton,	Frank H. Smith, <i>P.</i>	Chas. L. Millett.
DAK. S. Stock Growers Bank,	C. L. Millett, <i>Cas.</i>	B. W. Whipple.
" Fort Pierre.	F. W. Humphrey, <i>Cas.</i>	H. A. Taylor.
" First National Bank, Redfield.	C. Corson, <i>Cas.</i>	
D. C.... Columbia Nat. B., Washington.	J. H. Tatum, <i>P.</i>	Frank Bentley.
FLA.... Bank of Bartow,	B. B. Tatum, <i>Cas.</i>	Lee Bentley.
" Bartow.	J. W. Murphey, Jr., <i>Ass't.</i>	
GA.... Third Nat. Bank, Columbus...	Wm. S. Witham, <i>P.</i>	John W. Caseldine
" Douglasville Banking Co.,	H. T. Cooper, <i>Cas.</i>	E. F. Wright.
" Douglasville.	J. R. Beggs, <i>Cas.</i>	
ILL.... First National Bank, Arcola...	Edward Hammett, <i>Cas.</i>	E. S. Noyes.
" Lincoln Nat. B'k, Chicago.	H. Gasaway, <i>Cas.</i>	Bert Bryan.
" Exchange Bank, Martinsville...	Jeremiah Collins, <i>P.</i>	Chas. H. Gould.*
" Grundy Co. Nat. B'k, Morris.	Theo. Saxonmeyer, <i>Cas.</i>	A. L. Wilson.
" Red Bud Bank, Red Bud.....	J. W. Brooke, <i>Cas.</i>	N. L. Little.
IND.... Citizens National Bank,	J. E. Little, <i>Ass't.</i>	J. W. Brooke.
" Attica,	John Jackson, <i>P.</i>	Linnville Ferguson
" First National Bank,	Chas. W. D. Jones, <i>Cas.</i>	John Jackson.
" Cambridge City,	W. M. Hamilton, <i>P.</i>	A. R. Forsyth.
" First National Bank,	H. H. Woolley, <i>V. P.</i>	
" Greensburgh,	F. M. Dowden, <i>Ass't.</i>	
" First National Bank,	S. A. Culbertson, <i>P.</i>	W. S. Culbertson.*
" New Albany,	John A. Hutton, <i>Cas.</i>	S. A. Culbertson.
" Seymour National Bank,	B. F. Price, <i>P.</i>	
" Seymour,	F. M. Swope, <i>V. P.</i>	
" Terre Haute Savings Bank,	E. D. Brown, <i>Cas.</i>	
" Terre Haute,	H. C. Johnson, <i>Ass't.</i>	
" Stephen J. Young, <i>P.</i>	T. C. Buntin.*	
IND. T. Citizens Nat. Bank, Ardmore.	J. A. Bivens, <i>V. P.</i>	
IOWA... First National Bank,	C. D. Boynton, <i>P.</i>	G. W. Wattles.
" Carroll,	G. W. Wattles, <i>V. P.</i>	C. D. Boynton.
" First Nat. Bank, Charter Oak.	W. T. Bradford, <i>Cas.</i>	J. G. Shumaker.
" First National B'k, Estherville.	Webb Vincent, <i>V. P.</i>	
" First Nat. B'k, Fort Madison...	D. A. Morrison, <i>P.</i>	J. B. Morrison.
" First National B'k, Griswold.	John C. Bryant, <i>Ass't.</i>	

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
IOWA...	First National Bank, Holstein.	E. H. McCutchen, <i>V. P.</i> ...	E. M. Donaldson.
		Chr. Haas, <i>Cas.</i>	E. H. McCutchen.
	..Doolittle & Son, Hopkinton.	Oskar Berger, <i>Ass't.</i>	
	..First National Bank, Manning.	F. E. Williamson, <i>Cas.</i>	F. W. Doolittle.*
		O. E. Dutton, <i>V. P.</i>	
	..Commercial Nat. B., Sioux City.	L. C. Sutherland, <i>Cas.</i>	O. E. Dutton.
	..First National Bank, Spencer.	A. Beals, <i>Ass't.</i>	
	..People's Savings B'k, Spencer.	David Painter, <i>Cas.</i>	Ackley Hubbard.
KAN...	First Nat. B'k, Cherry Vale.	C. P. Buckley, <i>Cas.</i>	S. S. Snow.
	..First National Bank, Lincoln.	Millard F. Wood, <i>P.</i>	C. T. Ewing.
	..Bank of Robinson.	C. B. Daughters, <i>P.</i>	Geo. H. Newell.
	..Wellington N. B'k, Wellington.	B. B. Idol, <i>P.</i>	J. N. Mills.
KY...	American-German Nat. B'k, Paducah.	John Murphy, <i>V. P.</i>	J. S. Stewart.
	..Bank of Shelbyville.	Geo. C. Thompson, <i>P.</i>	T. H. Puryear.
LA.....	Southern Nat. B'k, N. Orleans.	Edwd. L. Atkins, <i>Cas.</i>	G. C. Thompson.
	..Commercial National Bank, Shreveport.	H. P. Poynter, <i>Cas.</i>	Shelby Vannatta.
		I. Hechinger, <i>V. P.</i>	N. B. Sligh.
MASS...	Old Boston Nat. B'k, Boston.	P. Youree, <i>P.</i>	J. G. McWilliams.
	..Manufacturers Nat. B'k, Lynn.	J. P. Scott, <i>V. P.</i>	P. Youree.
MINN...	National City Bank, Lynn.	T. F. Pratt, <i>Ass't.</i>	
	Minn. Loan & Trust Co., Minneapolis.	B. W. Currier, <i>P.</i>	W. A. Clarke, Jr.
	..First Nat. B'k, Stillwater.	Frank E. Bruce, <i>Ass't.</i>	
MISS...	Bank of Gloster, Gloster.	Frank M. Prince, <i>Sec. & Tr. E.</i>	J. Phelps.
		R. H. Bronson, <i>Cas.</i>	Frank M. Prince.
MO.....	Bank of Edgerton.	L. B. Robinson, <i>P.</i>	G. H. Barney.*
	..Midland Nat. B'k, Kansas City.	E. B. Robinson, <i>Cas.</i>	L. B. Robinson.
	..Lathrop Bank, Lathrop.	J. H. Bruce, <i>Cas.</i>	
	..First National B'k, Maryville.	S. B. Armour, <i>V. P.</i>	A. W. Armour.*
	..National Bank of Odessa, Odessa.	Gordon Jones, <i>Cas.</i>	Chas. P. Jones.*
		S. H. Kemp, <i>Cas.</i>	H. W. Richmond.
		A. R. Patterson, <i>V. P.</i>	F. T. Bates.
MONT...	First National Bank, Castle.	F. T. Bates, <i>Cas.</i>	Gordon Jones.
		C. H. Stebbins, <i>P.</i>	Len Lewis.
NEB...	First National Bank, Crete.	Chas. Angus, <i>V. P.</i>	H. H. Mund.
	..State National Bank, Lincoln.	V. C. Spirk, <i>Ass't.</i>	
	..Union National Bank, Omaha.	H. S. Freeman, <i>Ass't.</i>	C. E. Waite.
	..Farmers & Merchants Bank, Talmage.	G. W. Wattles, <i>V. P.</i>	David Bennison.
	..State Bank, Wilber.	John Casper, <i>P.</i>	W. C. Reynolds.
N. H...	Nat. Granite State B'k, Exeter.	H. Badberg, <i>V. P.</i>	John Casper.
	..N. Market N. B., New Market.	D. B. Cropsey, <i>P.</i>	Jno. L. Tidball.
N. J...	First Nat. B'k, Westfield.	F. F. Gay, <i>Cas.</i>	C. A. Caldwell.
N. Y...	South End Bank, Albany.	W. F. Putnam, <i>P.</i>	B. F. Folsom.
	..South Side Bank, Bay Shore.	A. C. Haines, <i>Cas.</i>	A. C. Haines, <i>Act'g</i>
	..Bank of Gouverneur, Gouverneur.	Chas. G. Endicott, <i>V. P.</i> ...	
	..Jamaica Savings B'k, Jamaica.	Peter Kinnear, <i>P.</i>	E. A. Maher.
	..Orange Co. T. & S. D. Co., Middletown.	P. S. Wicks, <i>Cas.</i>	R. M. Raven.
	..First National Bank, Olean.	Newton Aldrich, <i>P.</i>	Wm. J. Averill.
	..First Nat. Bank, Penn Yan.	Wm. J. Averill, <i>V. P.</i>	
	..People's Nat. Bank, Salem.	Lewis L. Fosdick, <i>Treas.</i>	Morris Fosdick.
	..National Union Bank, Watertown.	M. D. Stivers, <i>P.</i>	Chas. C. Luckey.
N. C...	Atlantic National Bank, Wilmington.	J. E. Dusenbury, <i>P.</i>	
		Wm. E. Wheeler, <i>V. P.</i>	
OHIO...	First National Bank, Bryan.	John A. Underwood, <i>Ass't.</i>	
	..Ohio Valley Nat. B., Cincinnati.	W. C. Larmon, <i>V. P.</i>	W. H. Walker.*
	..First National Bank, Clyde.	A. L. Upham, <i>Cas.</i>	S. B. Upham.*
OKL. T.	Oklahoma National Bank, Oklahoma.	Geo. F. Clark, <i>Ass't.</i>	A. L. Upham.
		D. L. Gore, <i>V. P.</i>	
		H. W. Howard, <i>Cas.</i>	
		J. S. Worth, <i>Ass't.</i>	
		Oscar Eaton, <i>P.</i>	
		Philip Niederaur, <i>V. P.</i>	Oscar Eaton.
		David Jones, <i>Ass't.</i>	
		Geo. D. Tiffany, <i>Ass't.</i>	
		E. W. Dowden, <i>V. P.</i>	
		L. A. Gilbert, <i>Ass't.</i>	

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
PA.....	Merchants Nat. B'k, Harrisburg.	D. W. Sohn, <i>Cas.</i>	J. R. Shoemaker.
"	Phila. Mortgage & T. Co., Philadelphia.	Jas. B. Leonard, <i>P.</i>	Benj. Miller.
"	Citizens Nat. B'k, Pittsburgh.	H. C. Bughman, <i>V. P.</i>	
TENN...	People's Nat. B'k, Shelbyville.	J. M. Shofner, <i>V. P.</i>	W. M. Bryant.
UTAH...	First Nat. Bank, Provo City.	W. H. Dusenberry, <i>Cas.</i>	C. A. Glazier.
"	Nat. Bank Commerce, Provo City.	Thos. J. Green, <i>Cas.</i>	Jas. W. Wallace.
		H. S. Martin, <i>Ass't.</i>	T. J. Green.
WASH...	First Nat. B'k, Port Townsend.	Jas. G. McCurdy, <i>Ass't.</i>	
"	Columbia Nat. B'k, Tacoma.	W. G. Peters, <i>V. P.</i>	
WIS....	State Bank, Manitowoc.	Geo. B. Burnet, <i>Cas.</i>	Chas. Luling.*
"	Bank of Omro.	W. W. Race, <i>P.</i>	Zimri Dwiggins.
WYOM...	First Nat. Bank, Douglas.	H. R. Paul, <i>Cas.</i>	Geo. Barke.
"	Rock Springs Nat. Bank, Rock Springs.	Geo. H. Goble, <i>V. P.</i>	

* Deceased.

PROJECTED BANKING INSTITUTIONS.

GA.....	Lexington.....	New bank to be started by Messrs. Arnold & Stewart; capital, \$50,000.
ILL.....	Colfax	State Bank of Colfax; capital, \$25,000. Incorporators: W. V. True, H. H. Newell, W. G. Anderson, Isaac Bunn.
"	Holcomb	The Exchange Bank. The controlling parties are the Sheaff Bros. and W. D. Oakes, of Rockford, and Chas. Eyster and Burk Shadle, of Holcomb.
IND.....	Indianapolis....	State Bank of Indiana; capital, \$100,000. Stockholders: J. N. Huston, Connorsville; Bruce Carr and Harvey M. La Follette, D. A. Coulter, Frankfort; W. T. Durbin, Anderson; Sprinkle Bros., Muncie; R. T. McDonald, of Fort Wayne; J. R. Henry, Gosport.
IOWA...	Marathon.....	First National Bank; organized by F. H. Hellsell, Sioux Rapids, Ia., and associates; capital, \$50,000.
KAN....	Hutchinson	Citizens Bank; capital, \$15,000. Directors: Fred W. Cook, James Dukelow, Franklin P. Hetlinger, Theodore Leidleigh, James B. Mackay.
"	Paxico.....	State Bank of Paxico; capital, \$10,000. Directors: W. S. Bolton, Moritz Guth, and A. Strowig, Paxico; W. H. Chambers, Marquette, Kan.; Elmer Williams, A. W. Lewis, and J. Goldsby, Kansas City, Mo.
"	Wichita.....	Equity Trust Co.; capital, \$100,000. Directors: H. A. Lewis, I. F. West, H. W. Rule, A. A. Hyde, A. B. Jackson.
ME....	Belfast.....	Peoples National Bank; capital, \$50,000. Apply Mr. E. F. Hanson.
"	Belfast.....	\$30,000 has been subscribed toward a new National Bank here.
MASS...	Lowell.....	New Trust Co. Incorporators: E. M. Tucke, August Fels, Stephen B. Puffer, Miles F. Brennan, P. F. Sullivan, Chas. D. Palmer.
MICH...	Ann Arbor.....	New bank established; capital, \$100,000.
MINN...	Clarkfield.....	Clarkfield State Bank; capital, \$30,000.
"	Jasper	State Bank of Jasper; capital, \$25,000.
NEB....	South Omaha...	New bank to be started.
N. Y....	Buffalo.....	Builders Exchange Bank; capital, \$200,000.
"	Milford.....	New bank to be organized.
OHIO...	Bloomfield....	First National Bank; organized by Warren Gilmore; capital, \$100,000.
ORE....	Oswego.....	Oswego Commercial and Savings Bank; capital, \$50,000. A. F. Wheeler, Cashier.

- PA. Hanover People's Bank of Hanover; capital, \$50,000.
 " .. Middletown. ... Dauphin Co. Trust, Savings & Deposit Co.; capital, \$125,000.
 " .. Reading..... H. A. Hoff & Son have opened a banking house at 15 North Fifth Street.
- TENN.. Chattanooga... Union Bank and Trust Co.; capital, \$50,000. F. F. Smith, President; C. E. Severance, Cashier.
- TEXAS.. Garland New bank to be started.
- UTAH.. Ogden..... H. C. Gilbert has opened business in Utah Loan & Trust Co. building.
 " .. Springville..... Springville Banking Co.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during July, 1892.

- IND.... Mulberry..... Farmers National Bank, by John N. Perrin, Lafayette, Ind., and associates; capital, \$50,000.
- IOWA.. Garner..... First National Bank, by H. A. Merrill, of Mason City, Ia., and associates.
 " .. Ireton..... First National Bank, by G. W. Pitts, Orange City, Ia., and associates.
 " .. Laurens First National Bank, by F. H. Helsell, Sioux Rapids, Ia., and associates.
- MISS... Macon..... First National Bank, by A. C. Fant and associates.
- NEB.... Pender..... First National Bank, by E. A. Wiltze and associates.
- PA.... Wilmerding.... Wilmerding National Bank, by John F. Miller and associates.
- TEXAS.. Llano..... The Llano National Bank, by S. Duncan and associates.
- WASH.. Port Angeles... Port Angeles National Bank, by B. F. Schwartz and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from July No., page 77.)

No.	Name and Place.	President.	Cashier.	Capital.
4765	Newport National Bank.....	John C. Schroll,		
	Newport, Ky.		Waller Overton,	\$100,000
4766	East Orange National Bank.....	Frederick M. Shepard,		
	East Orange, N. J.		Wm. H. Bryan,	100,000
4767	Evanston National Bank.....	Henry Wells,		
	Evanston, Ill.		John C. Austin,	100,000
4768	First National Bank.....	S. W. Grimes,		
	Bloomington, Tex.			50,000
4769	Melrose National Bank.....	Decius Beebe,		
	Melrose, Mass.		John Larrabee,	100,000
4770	Oklahoma National Bank.....	D. F. Stiles,		
	Oklahoma City, Okl. Ter.		F. L. Dobbin,	50,000
4771	Somerville National Bank.....	Quincy A. Vinal,		
	Somerville, Mass.		Jas. F. Beard,	100,000
4772	First National Bank.....	Wm. H. Wartman,		
	Cortland, Ohio.		E. F. Briscoe,	50,000
4773	First National Bank.....	Frank F. Johnson,		
	Wallace, Idaho.		Horace M. Davenport,	50,000
4774	First National Bank.....	Henry B. Little,		
	Ipswich, Mass.			50,000

No.	Name and Place.	President.	Cashier.	Capital.
4775	First National Bank..... Ceredo, W. Va.	Samuel S. Vinson,	Louis Pritchard,	\$50,000
4776	Smelter National Bank..... Durango, Col.	Chas. E. McConnell,	Wm. A. Nicodemus,	50,000
4777	Pilot Point National Bank..... Pilot Point, Tex.	A. H. Gee,	J. A. L. McFarland,	60,000
4778	First National Bank..... Huron, Ohio.	Wm. H. Hine,	Thomas M. Sprowl,	50,000
4779	First National Bank..... Montesano, Wash.	H. B. Marcy,	D. W. Fleet,	50,000
4780	First National Bank..... Guilford, Me.	Henry Hudson,	Harry W. Davis,	50,000
4781	Fort Fairfield National Bank... Fort Fairfield, Me.	Morrill N. Drew,	Manley E. Wheeler,	50,000

CHANGES. DISSOLUTIONS, ETC.

(Monthly List, continued from July No., page 79.)

- ARK....Magnolia.....Bank of Magnolia (J. G. Kelso) reported closed.
- DAK. S. Marion.....Farmers Bank succeeded by City Bank.
- " ..Tripp.....Johnson Bros. succeeded by Tripp State Bank.
- FLA....Chipley.....Washington Co. Bank (John B. Glen) moved to Wausau.
- GA....Tallapoosa.....Merchants & Miners Bank has resumed business.
- ILL....Chenoo.....Bank of Chenoo (Haynes & Jordan) succeeded by State Bank.
- " ..Evanston.....Citizens Bank (Hill Bros.) succeeded by Evanston Nat. Bank.
- " ..Grayville.....First Chemical Bank discontinued.
- IND....Goshen.....Farmers & Citizens Bank (Thomas & Heefner) succeeded by State Bank, incorporated.
- " ..Monon.....Bank of Monon closed.
- " ..Orleans.....Bank of Orleans (Stout & Hicks), now Paris & Nave, proprietors.
- " ..Vincennes.....Vincennes National Bank closed, receiver appointed.
- IOWA.. Humboldt.....Humboldt Co. Bank succeeded by Humboldt State Bank, same officers and correspondents.
- " ..Laurens.....Exchange Bank succeeded by State Bank, incorporated.
- " ..Meriden.....Cherokee Co. Bank succeeded by Cherokee Co. State Bank.
- " ..Stanwood.....Bank of Stanwood closed.
- KAN....Cherry Vale....Cherry Vale National Bank insolvent.
- " ..Edna.....International Bank out of business.
- " ..Hutchinson....Nat. Bank of Commerce has gone into voluntary liquidation.
- " ..Overbrook.....Bank of Overbrook succeeded by Kansas State Bank, same correspondents.
- MASS...Lawrence.....National Pemberton Bank will consolidate with Arlington National Bank.
- MICH...St. Louis.....Bank of St. Louis (F. G. Kneeland) gone out of business.
- MINN...Hutchinson....Citizens Bank incorporated, same correspondents.
- " ..Madelia.....Minnesota Valley Bank (Wadsworth & Evanson) succeeded by State Bank.
- MO....Aurora.....First National Bank has gone into voluntary liquidation, succeeded by Miners & Merchants Bank.
- NEB....Central City....Platte Valley Bank (D. Martin & Co.) succeeded by Platte Valley State Bank.
- " ..Dorchester.....First National Bank and Citizens Bank succeeded by Dorchester State Bank.

- NEB....Hebron.....Landholders Bank sold out to First National Bank.
 • ..South Bend....Bank of South Bend succeeded by Bank of Murdock.
 N. Mex.Santa Fe.....Second National Bank has expired by limitation.
 N. Y....Brockport.....John H. Kingsbury has reopened his banking office.
 OHIO....Ashtabula.....Ashtabula National Bank expired by limitation, and is succeeded by Ashtabula Bank Co., same officers.
 ORE....Dallas.....Dallas City Bank incorporated.
 PA.....DuBois.....DuBois Deposit Bank incorporated, same officers and correspondents.
 • ..Hazleton.....Banking House of Markle Bros. & Co., now Markle Banking & Trust Co., incorporated, same officers and correspondents.
 • ..Media.....Hoopes & Newbold closing business.
 S. C....Kershaw.....Heath, Springs & Co., now Heath, Springs & McDonald.
 TEXAS..Bloomington.....Farmers & Merchants Bank succeeded by First Nat. Bank.
 • ..Pilot Point.....Pilot Point Bank succeeded by Pilot Point National Bank.
 • ..Rockwall.....First National Bank closed, receiver appointed.
 VA.....Richmond.....John L. Williams & Son, now John L. Williams & Sons.
 WASH...Centralia.....Lewis Co. Bank sold out to First National Bank.
 Wis....Fort Howard...McCartney's Exchange Bank succeeded by McCartney's National Bank.
 • ..Lancaster.....Richard Meyer & Co. succeeded by Meyer-Showalter State Bank.
 • ..Omro.....Bank of Omro incorporated.

DEATHS.

BOORD.—On July 13, aged fifty-seven years, F. M. J. BOORD, Cashier of First Chemical Bank, Grayville, Ill.

DAILY.—On July 15, aged fifty years, SAMUEL S. DAILY, Cashier of Lebanon National Bank, Lebanon, Ind.

DOBLER.—On July 14, aged sixty-five years, JOHN W. B. DOBLER, President of West Side Bank, New York City.

FORSYTH.—On July 14, aged eighty-two years, ANTRIM R. FORSYTH, President of First National Bank, Greensburg, Ind.

FOSDICK.—On June 26, aged seventy-seven years, MORRIS FOSDICK, Treasurer of Jamaica Savings Bank, Jamaica, N. Y.

GOOLD.—On June 22, C. H. GOOLD, President of Grundy Co. National Bank, Morris, Ill.

LULING.—On June 25, CHAS. LULING, Cashier of State Bank, Manitowoc, Wis.

MARVIN.—On July 10, aged fifty-seven years, GEO. W. MARVIN, President of First National Bank, Cordele, Ga.

ORTON.—On July 4, aged seventy-six years, JAS. S. ORTON, President of Genesee Valley National Bank, Genesee, N. Y.

WATSON.—On July 15, aged seventy years, RICHARD WATSON, President of Bucks Co. Trust Co., Doylestown, Pa.

WILLIAMSON.—On July 9, aged thirty-seven years, F. E. WILLIAMSON, Cashier of Doolittle & Son, Hopkinton, Iowa.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JULY, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in July.														
GOVERNMENTS.			RAILROAD STOCKS.			MISCELLANEOUS.			MISCELLANEOUS.					
	Open- ing.	High- est.	Low- est.	Close- ing.		Open- ing.	High- est.	Low- est.	Close- ing.		Open- ing.	High- est.	Low- est.	Close- ing.
2, 1907 reg.	100	100	100	100	Col. Coal & Iron.	36½	36½	34½	35½	Northern Pacific.	—	21½	19½	21½
4, 1907 reg.	100	100	100	100	Col. H. Valley & Tol.	36½	36½	34½	36	Do	56½	59	54½	59
4, 1907 coup.	100	100	100	100	Del. & Hudson	156½	138½	135	150½	Ohio & Mississippi	—	21½	21½	21½
6, cur'cy, 1895, reg.	106	106½	106	106½	Del. Lack. & W.	—	169½	165	169½	Ohio Southern	22	22	21½	21½
6, cur'cy, 1896, reg.	108½	108½	108½	108½	Den. & Rio Grande	—	169½	165	169½	Oregon Imp't.	22	22	21½	21½
6, cur'cy, 1897, reg.	111½	111½	111½	111½	Do	—	169½	165	169½	Oregon R. & N.	22	22	21½	21½
6, cur'cy, 1898, reg.	114	114	114	114	East Tenn. V. & G.	—	169½	165	169½	Oregon Short Line	22	22	21½	21½
6, cur'cy, 1899, reg.	117	117	117	117	Do	—	169½	165	169½	Pacific Mail	22	22	21½	21½
					Do	—	169½	165	169½	Peoria, Decatur & Evansville	22	22	21½	21½
					Do	—	169½	165	169½	Philadelphia & Reading	22	22	21½	21½
					Do	—	169½	165	169½	Pullman Palace Car Co.	22	22	21½	21½
					Do	—	169½	165	169½	Rich. & W. P. Term.	22	22	21½	21½
					Do	—	169½	165	169½	Rome, W. & Ogd.	22	22	21½	21½
					Do	—	169½	165	169½	St. Louis, A. & T. H.	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—	169½	165	169½	Do	22	22	21½	21½
					Do	—								

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

SEPTEMBER, 1892.

No. 3.

BOGUS BANK AND INSURANCE ORGANIZATIONS.

The workingmen of this country have organized a very considerable number of banking and insurance associations, which are sustained chiefly by their own class. These associations have been increasing quite rapidly of late years. The most extraordinary schemes have been devised. In general, it may be said that their aim is to secure business by offers of quick and large profits, and thousands of men who ought to know better have been enticed by this sort of bait. The Legislature of Massachusetts dealt with some of these swindling concerns two years ago, and other States in a feebleness have attempted to deal with them. Nevertheless, a large number still exist, and which succeed in one way and another in drawing a large amount of money from the pockets of those who can least afford to lose it, to be mainly devoured by a few cunning and unscrupulous persons.

One of these organizations, perhaps one of the largest, having headquarters at Indianapolis, with numerous branches, has fallen under a receivership, the inside history of which in due time will probably be laid before the public. In an investigation now in progress in Indianapolis loose practices were discovered, and in Pennsylvania, where a branch exists with a banking attachment, the superintendent of banking has all along feared that its operations were not properly conducted. An account of these associa-

tions, their plans and methods for obtaining money, would be curious indeed—an entirely fresh chapter in sociological history. It would show how busy man always is in exercising his cunning to fleece others in order to make an easier living for himself. From time to time some of these plans have been given in our pages; but another curious fact is that as soon as the crooked ways of these organizations are exposed and they go under, new methods, plans still more attractive, are blazoned abroad, and thus the game continues to be played of forming new organizations for the chief purpose of getting money for the benefit of the organizers. When will the end of these things come?

One of the worst evils of these organizations is that they deal largely with the workingmen, who ought not, of all classes, to fool away their money. It is bad enough for those who have more means to lose in Wall Street and other exchanges; but the suffering must be keener to those who spend their hard-earned accumulations in assessments and similar ways for the benefit of the cunning few. It would seem as though they can prey on this class more easily than on some others, and yet this remark is not wholly true; for, if we believe the newspapers, the every-day record of the Stock Exchange is simply a record of larger swindles that are perpetrated on those who gamble in stocks. It will not do, therefore, to imagine that the dupes are all confined to the working classes; but this probably is true, that the plans devised for swindling them would not succeed with a different class of persons. Some of these plans have borne on their face the clearest evidence of fraud; the essence of them seems to consist in enabling some to gain at the expense of others, and thus a class has been drawn into them expecting to reap large profits, although knowing for a certainty that if they did others must be swindled. Yet many plans are in vogue; as before remarked, as soon as one fails another is invented, perhaps a little worse and bolder than the last.

There is less need of these associations, for the reason that banks and insurance companies which are well managed exist in every part of the country. It is natural enough, of course, for persons to think that others may be organized by their own class, which are therefore assured of their support, and in which, perhaps, there is a larger chance for profits. Of course, no one questions their right to organize and make all they can, but those who look at the subject of banking and insurance in a superficial way overlook a good many things. Besides honesty, which is an essential ingredient, experience is also a necessity; no banking or insurance association can dispense with this; not every one can lend money successfully. Supposing that these workingmen associations are organized with the best motives, none of them have experienced officers. So far as we know, all of them are equipped with men

without special training, and so, though perfectly honest, they are ill-fitted for the peculiar and difficult business which they attempt to manage. One of the dangers of every association having money to lend is, instead of coldly regarding the security, it will be lent to friends. A good banker knows no friends. The motto on the cover of this Magazine has always been approved by all bankers of experience. Judging by what we can learn of these workingmen's banking associations, they are not managed in accordance with good banking practices. No wonder so many of them have a short career. They never will succeed until they are managed as other banks and insurance companies which are conducted in an entirely different manner.

While there seems to be not only a lack of experience and ability in these associations, this is by no means the worst. Dishonesty is sown through them almost everywhere. Doubtless the workingmen, as a class, are quite as honest as other persons; but we cannot help thinking, judging from what we have learned of these associations, that the honest and most intelligent workingmen are not the ones who create them, but others, who, if having no questionable motives in the beginning, are led away sooner or later by coming into the possession of more money than they have ever had before. Its possession has a deleterious influence over them, and so they are found, after a very little while, in using it in ways quite contrary to the interests or intentions of the contributors.

It is a remarkable fact that the foreign organizations of workmen have had no such history. Take, for example, the various kinds of co-operative associations of Great Britain. They are numerous, and possess a very large capital and membership. For the most part their management is quite free from criticism, and, as a whole, they have been singularly successful. Their honesty and fair dealing are worthy of all praise; yet, strangely enough, the corresponding class in this country who have organized associations have had a different history. There must be some reason for this difference in the conduct of the same class of men on the two sides of the sea; and it might be worth while for some one to dig a little more deeply and find out what the cause is which has led to such a diversity of conduct. It is a strange social fact, but one which cannot be denied.

Is the explanation, in part, the observance and execution of the law in the one country and its non-observance and imperfect execution in the other? We have quite law enough here to cover every wrong, but everyone knows how lax is the administration of it. This must necessarily be so in a country where the people elect their own judges, and in which jurymen are drawn from their own number. We cannot help thinking that the weakness every-

where apparent in the administration of law, the great difficulty in convicting well-known criminals, must have the effect to lead those who have an inclination to disregard the law to persist more strongly in their evil ways. They do not fear the law as they would were its enforcement more certain.

Thus, we are led to inquire what can be done, if anything, to prevent the organization and operation of these bogus concerns, which are now preying on the workingmen? If laws are specially enacted to prevent their organization, or to deal with those who manage them in wrongful ways, and they cannot be enforced, will any good come of such legislative action? Probably not much can be hoped from this source; still, no harm surely will come from enacting better laws, if possible, to prevent the perpetration of such wrong doing; but it is evident that the chief relief must come from the workingmen themselves. They must work out their own salvation; if they cannot, their case is quite hopeless, others cannot save them. But one would think, after the experience they have already gained, after the losses which have come to so many in all parts of the country, they would conclude that it was quite time to abandon all ill-managed concerns, and go to those which have stood the test of long experience and have not been found wanting. There are banks and insurance companies everywhere which have been in existence many years, and whose honesty and ability have been thoroughly tested; and we are confident that the workingmen would be far better off to invest their savings in such institutions than in new concerns without experience; managed too often by incompetent and unscrupulous men, and unworthy of the confidence bestowed on them.



A New Comptroller of the Currency.—The appointment of Hon. A. B. Hepburn as Comptroller of the Currency, in place of Mr. Lacey, is highly satisfactory to bankers everywhere. He has had large experience, and has proved himself a highly intelligent and trusted officer, and was indorsed heartily by all the banks in New York City, where he was best known. The Government has been singularly fortunate in securing for Comptrollers men possessing the general confidence. Mr. Hepburn begins his duties, not as an inexperienced man who must learn them, but as familiar with the duties of the office, and who will doubtless prove a worthy successor to those who have been before him.



ON THE PAYMENT OF DIVIDENDS TO RAILROAD SHAREHOLDERS.

As the practice of railroad companies in England is to divide all the net earnings above the ordinary expenses and fixed charges among their shareholders, from time to time complaints are heard from English investors in American railroads because the same practice is not followed in this country. The best managed railroads here are continually improving their properties, and in doing so often use a portion of their earnings for that purpose, instead of borrowing the whole sum and thus increasing the fixed charge. If English investors do not perceive the wisdom of this policy, it certainly is sanctioned by all the railroads that are not managed by Wall Street for stock-jobbing purposes.

English investors do not realize the different conditions of American railroads from foreign companies. In this country almost all of them were built as cheaply as possible; and, therefore, large expenditures have been needful in order to put them in a first-class condition. Abroad, most of the railroads were well built in the beginning, and, therefore, subsequent improvements for the most part have not been so large for ordinary structure and equipment as for extensions of one kind and another. In this country large expenditures have been made for new bridges, grading, ballasting, lessening curves, and the like; in short, for finishing the road. To have added the entire cost of these improvements to the original cost would have seriously affected many roads in several ways, as we shall hereafter show.

In Europe the railways can better sustain an additional capital, for the reason that their business is increasing more rapidly in proportion to the mileage, rates are better regulated, and therefore it is easier for them to earn dividends on their increased capital than it would be for railroads in this country. The effects of the two methods may be easily illustrated. The Chicago & Alton Railroad, for example, has maintained the policy from the beginning of paying for improvements largely with earnings, thus keeping its capital at the lowest figure. What is the consequence? Large dividends are easily earned; besides, the company has an enormous advantage in these days of keen competition. It can defy all sorts of combinations, well knowing that by reason of its small capital it can surely earn dividends. The New York, New Haven & Hartford Railroad is another illustration. The business has increased enormously, and while many improvements have been made, these have been largely paid, until recently, from the

earnings, thus keeping the capital at a low level. Again and again have rivals entered the field with the view of building another road from the East to New York; but they have soon discovered how difficult would be the attempt to compete with a road having so low a capital.

Another road, well illustrating the consequence of adopting the English policy, is the New York Central. Commodore Vanderbilt adopted the English idea, and increased the stock to represent the improvements that had been made and paid from the earnings. It was at first thought that he had done a brilliant thing, but all have learned, since, the evil consequence of this policy. If he had had the entire field to himself and could have made his own rates for transportation, then he might have been justified, perhaps, ignoring the rights or interests of others, but it was soon perceived that whenever several roads are competing for business, the poorest makes the rates, which the others must follow whether they will or no; and for many years this happened to be the Erie. And so the Commodore learned, even before his death, that he was by no means master of the situation, and the Central, instead of paying the eight per cent. dividends announced in the beginning, in a few years was obliged to reduce them almost to zero. It was soon seen that what he could pay must be measured and determined by the Erie. Again, others, before the real situation was understood, deeming that they could earn something from the Central in the way of outside dividends, built the West Shore, though the Vanderbilt family, seeing what was coming, were kind enough to sell most of their stock to the English at 127, and thus escape a terrific loss. In view of this experience with the English policy, no wonder that our railroads are slow to increase their capitals.

With respect to the Pennsylvania Railroad Company, which seems to be the chief subject of complaint at present with English investors, the two policies are evidently well understood by the directors. The American shareholders are disinclined to favor an increase of capital, clearly realizing the danger. They comprehend that in the race for business, if heavily weighted with capital, their company is at a serious disadvantage. On the other hand, a very considerable portion of the stock of the Pennsylvania Railroad is owned abroad, and the rights and wishes of the English shareholders, we believe, have been fully regarded. The policy adopted, therefore, has been a compromise; and improvements have been paid partly from the earnings and partly from new capital. It is doubtless correct to say that the wishes of the English shareholders have been kept in sight quite as much as those in this country; indeed, there has been more criticism here for borrowing so much money, instead of paying more for improvements from the net profits. Between the wishes of the two classes, doubtless, it

has not always been easy for the directors to decide what to do; but it can be truly said that the interests of all shareholders have been fully regarded.

Of course, whenever a railroad is earning anything above its fixed charges and expenditures it would not be just, without the consent of all the shareholders, to pay no dividends, and to use all the profits in improvements. There is a limit to the amount of earnings that may be used in this manner, but, in general, it may be said that American railroads, if earning anything at all, have been paying too much to shareholders and increasing their capital too rapidly, instead of paying smaller dividends and keeping their capital on a lower basis. No one will question that in the future competition will increase in keenness, and from which railroads cannot escape. Fortunate, indeed, will be those railroads which possess the least capital, for thereby they will have an enormous advantage in the struggle.



Chicago's New Bank.—In a rapidly-growing city like Chicago there is an excellent opportunity for a new bank which is well conducted, but in the larger eastern cities, except in the newer portions, a banking enterprise is a somewhat risky venture, even if conducted by strong men. Several attempts of this kind in New York City within half a dozen years have failed. Those which have been organized in the newer portions of the city, however, have generally done well; but Chicago is growing in an extraordinary manner, and a new bank may be started there with the certainty of succeeding if properly managed. The latest venture is the Bankers' National, of which the Hon. E. S. Lacey, formerly Comptroller of the Currency, is president, and Mr. D. B. Dewey, ex-president of the American Exchange National, is vice-president. The bank has an excellent location, and well-known and influential directors, and there is every reason for supposing that it will rapidly become a favorite banking institution. Mr. Lacey has had a thorough experience as a banker, while the knowledge of men and business acquired in his recent office must be of great value to him as president of a National bank. Of Mr. Dewey, the vice-president, who rescued the American Exchange National from impending ruin, his fitness has been shown by his works. Of the ability, energy, and honesty he displayed on that occasion too much cannot be said in his praise. With such officers, the Bankers' National is sure to take a high place from the beginning among banking institutions.

A REVIEW OF FINANCE AND BUSINESS.

GENERAL. BUSINESS

has shown considerable improvement during the past month, in face of very discouraging conditions, in addition to the continuation of the extreme hot weather of the previous month. Included in these unfavorable conditions were the industrial and railroad strikes, decline in prices of most commodities, including silver, important decisions regarding railroad companies, and finally, the cholera in Western Europe, seriously interrupting communication and commerce with this country. Notwithstanding all these unnatural and adverse conditions, however, there has been a marked improvement in trade, coming earlier than in ordinary years. This began in the dry goods trade, early in the month, and extended from cotton fabrics, in which it started during July, owing partly to the extreme warm weather, partly to low prices, and partly to light stocks, to the woolen trade, until nearly all classes of textile fabrics have been lifted out of the rut by an active demand, although prices have not materially advanced, owing to continued depression in the raw materials, cotton and wool. There is scarcely a branch of trade that has not shown some improvement, which is more marked towards the close of the month, except the export and the iron trade, in which there has been continued depression in prices without stimulating a demand. This is contrary to the old theories and signs of trade, one more of which has been discredited by the fact that other industries are improving, while the iron industry is standing still, if not going backward; whereas hitherto, this latter has been considered the index of all other branches of trade. Even the coal trade, which has hitherto sympathized closely with iron, is in good shape, while the latter shows no sign of recovery; although the improvement in the former, is due more to artificial causes, in the shape of the coal combination, than to natural laws of trade. How far the strikes at Homestead and Pittsburgh have contributed to make the iron trade the most depressed of all industries, it is difficult to say; but that this depression existed before the strikes, is undeniable; and, the general trade is neither in much better nor worse condition than before. The cholera scourge that now threatens to overrun Western Europe, has been the most serious set-back to the improved prospects of an active and early fall trade that has occurred; but, coming as it did, at the close of the month, there has been scarcely time to measure its effects, although it is more than possible that they have already

been discounted, before they had really begun to be felt. That it will practically put an embargo upon commerce between the infected ports of Europe and this country, however, is probable; and, already, two of the great transatlantic steamship lines running to Hamburg and Havre have discontinued their trips to those ports during the prevalence of cholera, and made Southampton and Cherbourg their Eastern termini. That the same may occur at Antwerp and other Continental ports, is altogether probable, while the infection of some of the great seaports of Great Britain, threatens our communication and commerce with the British Islands, as well as with Continental Europe. The effect was first seen here, in the heavy break in provisions, which would be largely excluded from European ports, by the prevalence of this scourge; while it affected to a marked degree our grain and cotton markets, by threatening to invalidate contracts for future shipment, which are always made at the seller's risk, in case of an embargo at the port of delivery. Re-sales of grain bought for Continental account, have therefore helped to depress our grain markets, at the same time that large receipts of the new crop were coming forward from the West. But this was offset, in a measure, by the railroad strike at Buffalo, where the bulk of grain coming to the seaboard was held back for over a week; and, for a time, advanced our markets, on the prospect of a temporary scarcity, and inability to fill contracts to shippers.

THE CROPS AT HOME AND ABROAD.

Among the favorable influences, however, that have stimulated general business during the past month, have been the improved prospects of our crops, which showed considerable gains for the month of July, as indicated by the Government Crop Report issued on the 10th of August, which was sufficient to cause a further downward tendency in the markets for all our cereals, as well as for cotton, excepting that for oats which were seeded before the floods of last May, and the injury caused thereby irreparable, while the hot, forcing weather of the summer months, has brought the later planted corn forward to its average condition at this season of the year. In fact, excepting spring wheat, the conditions of the crops have generally improved during the month of August; and this has been followed by free marketing of the balance of the old crops, as the farmers have seen their growing ones practically assured, increasing the business of the railroads, creating an active demand for money to move the crops, and bringing country merchants into our markets as buyers of manufactured goods, earlier than expected, as noted above. With the exception of the oat crop, which is largely offset by the

largest and finest hay crop ever raised, we have the prospect of full average crops of all kinds. At the same time, the hot wave which passed across the Atlantic, struck Europe at the critical time of her harvest and has matured and secured good crops, in fine condition, two weeks earlier than usual in Western and Central Europe, as well as in Great Britain. While this latter fact is a great boon to Europe, following her bad crops of last year, it has had a depressing effect upon our markets, by decreasing the present and prospective demand for our crops; as Europe has still large stocks of wheat and flour, carried over from her excessive imports of the past year, based upon an over-estimate of the deficit in her crops of 1891, by which her importers of grain have experienced a very disastrous year, resulting in the failure of many large houses and the crippling of others to a point, that banks on the other side have withdrawn their usual accommodations to importers of grain and forced heavy liquidation of old stocks, bought at much higher prices. These conditions, together with the cholera, have brought about an unusually depressed condition of our export markets at the beginning of the crop year, in striking contrast to that of a year ago, when our railways and canals were taxed to their utmost, and unable to bring our crops forward as fast as they were wanted by Europe. The result has been a decline in prices for wheat and flour to almost the low prices of four years ago, preceding the short crop of 1890. The prospects, therefore, of our export trade for the coming year are materially less than for the past year, though probably not so small as previous to the past two years.

THE MONEY MARKET

has been influenced by the condition of affairs noted above, and has been considerably more active, during the month, on demand from the winter wheat sections to move the new crop, and from the spring wheat sections to move the big balance of the old crop, held back by farmers for \$1.25 a bushel, on the advice of the Farmers' Alliance, until they were compelled to accept about 75 cents in Chicago. This big movement, however, has required less money, at the lower prices, than for the movement of the same volume a year ago; and the superabundance of money, has prevented any material advance in the rates, as more foreign capital is seeking employment in our market. Yet rates have been advanced sufficiently to check the outflow of gold, which was exported in considerable quantities during the early part of the month. The bank reserve began to show the effect of this drain of money to the interior, in the reduction of over \$2,000,000 for the week ending the 27th ult.; although this is usual at this season

of the year, and is likely to continue during the movement of the crops, as the new spring wheat crop has not begun to move; while the oat crop has not moved in bulk and the smaller cereals are yet to come forward, as well as the balance of the old corn crop. Still, there are no indications of any anticipated stringency, as the banks are accommodating the demand for time loans, at but very little greater increase in the rates, than obtained on call loans; and the market is decidedly easy on both, for this season of the year, owing in part to the lack of speculation in stocks of railways, while the industrial stocks, which are now the favorite in Wall Street, are still discriminated against by the banks as collaterals for loans. The money markets of Europe are equally easy, as indicated by the increasing amount of foreign capital seeking employment, at current low rates of interest. The continued decline in silver to the lowest point on record, has also added to the depression in business circles, on both sides of the water, but chiefly among the industries of Great Britain, dependent largely upon their trade with India.

THE RAILROAD SITUATION.

So far as the Stock Exchange is concerned, speculation in railroad stocks, outside of a few specialties supported by pools, is about as dead as that in mining stocks and petroleum; and, for the same reason. The great manipulators and managers of these properties have fooled the public until it has learned to let them severely alone. Neither Bull nor Bear news, therefore, seems to affect railroad stocks, more than fractionally; and, it would be as Herculean a task, to attempt to Bear them, as it would to Bull them, while these leaders have no longer any followers. This was illustrated by the decision of Judge McCormick against the Texas State Railway Commission, which was practically a confirmation of Judge Brewer's decision in the Iowa case of two years ago, that railways cannot be compelled to perform their duties as common carriers, without reasonable compensation for their services, and a fair return upon their actual cash invested. Once, this would have sent stocks up with a bound, but now, fractional advances in the stocks immediately affected, were about the only immediate influences produced upon the stock market. Equally the decision of the Chancellor of New Jersey, against the Reading Railroad deal and coal combinations, had only a slight effect in depressing the coal stocks. In the same line, the strikes at Buffalo, neither put down stocks when they began, nor did their termination advance them. The Stock Exchange, therefore, is about as dead a place as can be found in the country; and, unless there is a change, grass will be growing in New Street, as it has in Beaver Street in front of the Produce Exchange this summer.

THE "INDUSTRIAL" STOCK CRAZE.

But while speculation has gone out of both grain and railroad stocks, for the time being at least, it has taken another craze, still more dangerous and more wild, in the shape of a mania for buying the Trust stocks, that have been listed on the Stock Exchange, during the last two years. The reason for this is that they have paid bigger dividends, so far, sell at a lower price than railway shares, and go up and down faster and farther, which makes them a favorite for gambling purposes, while they are based upon the demand for the necessities of life. Yet the public knows still less about them, than it does of railroad stocks, mining stocks or petroleum, which it has discarded, because manipulated by the managers of these properties, in the same way that these "Industrials" are being manipulated, by the conscienceless managers of the Trusts. The result can scarcely be less ruinous to the public, in this new speculative craze, than in their old speculative favorites; and, after big dividends have been kept up, without outsiders being able to know whether they have been earned or not, until they have got loaded with the stocks, we may expect to see a collapse in these "Industrials," as great as was ever seen in railways, if not as complete as that experienced in mining stocks. Yet, new enterprises are being brought out almost every week, so great is the temptation to capitalize these business industries, for three or four times their original cost and present value, until not only our manufacturing, but our mercantile concerns are being as badly watered, as our railway and mining stocks have been. While there is big money in these Trusts for the vendors, there can be but one end for those who purchase their inflated stocks, and that is, bankruptcy; for the public will not consent indefinitely to pay a monopoly tax on the necessities of life, to keep up dividends on these watered stocks; and, legislation, sooner or later, will be passed that will reach these monopolies and trusts and open manufacturing, as well as mercantile pursuits to individual competition once more.

THE PRODUCE MARKETS.

As indicated above, the grain markets have been extremely dull, and, for the most part, depressed during the entire month, except for corn, in which there has been a chronic corner, on light stocks and scarcity of the contract grade, for months; and in oats which sympathized with it, and advanced on the bad reports from threshing. In this connection we have been treated to one of the anomalies, that can only be found among the agricultural classes. Wheat, as stated above, has declined almost to the lowest prices

of four years' ago; yet both spring and winter wheat farmers have been selling their old and new crop so freely that the movement has been bigger this year on a five hundred million crop, than it was last year on a six hundred million crop, when prices were fully twenty cents a bushel higher. On the other hand, they have held back their corn and oats, which were bringing higher prices than a year ago, with good average crops in prospect. Hence, while oats and corn have continued abnormally high, we have had a light movement; and everybody who has sold them short because they were "too high," has been caught in a corner and squeezed; and everybody who has bought wheat and flour because they were "cheap" has been compelled to drop them at a big loss. Nothing could better illustrate the old saying that he who follows statistics in trade will go bankrupt.

But while wheat has been going down, provisions have had a boom, engineered by the big packers in Chicago, who had lost money, or made but little in their business the past year as packers, owing to the fact that the price of hogs has been higher relatively than the price of their products; and, having caught the exporters short, have put up the prices of the speculative articles very sharply on the Bears, and compelled them to cover at a big loss. But towards the close of the month the outbreak of the cholera in Europe turned the tide against the Bulls, who were compelled to support the market to prevent a loss of nearly all the advance they had gained, a considerable part of which vanished in spite of their efforts. Prices, however, are now relatively higher than wheat and breadstuffs generally, excepting corn, the price of which can hardly be maintained unless early frosts should destroy the present prospects of an average crop. Beef products also advanced, more especially on the high grades, owing to more than the usual scarcity at this season of the year; but the lower grades have been little affected, as the supply of Texan and Range cattle has been fully as large as usual at this season of the year. The effect has been mostly felt in the retail trade for fresh beef, and in the export trade, which takes only the finest quality of beef.

The depression in cotton has followed the hot, forcing weather of the last two months, which has largely made up for the damage by floods and late planting; and, like corn under similar conditions, it is likely to be an average crop, taken in connection with the big crop of last year. The depression in the cotton industries of England, and the consequent light export demand, have taken away the usual foreign support, as has been the case in wheat, and cotton has been left to decline under the pressure of its own weight, of spot supplies, aided by the decline in silver early in the month.

THE COAL AND IRON TRADE.

While the Coal Combination has advanced the price of anthracite nearly a dollar a ton, since its formation, it has not been on account of activity in the demand, but entirely on the restriction of the supply, as the public has refused to buy coal, except from hand to mouth, either believing that the Combination dare not, or could not, advance prices materially; or, that later on, it would be compelled to drop them, in order to increase the tonnage of the Coal roads and their earnings against fixed charges. So far, less coal has been sold than a year ago, for domestic consumption, while the price of anthracite has driven manufacturers steadily into the use of bituminous, for the purposes of making steam, for which it is not only cheaper, but better. With the introduction of gas, as fuel, for domestic and industrial purposes, and the use of bituminous for generating steam, it is difficult to see how the Anthracite Combination is going to force the public to buy anything like its usual output, at present unreasonably enhanced prices. The iron trade, in its present stagnation, certainly cannot stand this additional tax on its fuel, and will be forced to the almost universal use of bituminous or natural gas; and, taken together with the present dullness in the Coal trade, it would look as if the coal companies were taking the surest course to kill the geese that were expected to lay their golden eggs. As to the prospects of the iron trade, there are no indications of improvement as yet, upon the surface. Prices in many cases have reached the lowest record, during the month; while everything from the raw material to the finest products, is selling at prices that can only yield a profit by continual reduction in the cost of production. If the railroads could not buy new equipment with the big crops of last year, and enormous export demand, it is not plain to see how they can be big customers for the iron industries the coming year; while the strikes in the building trades have materially diminished the demand for structural iron, and even the pipe industry, which has been active for the last two years, has been falling off during the last six months.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Banking Legislation.—The Committee on Currency and Banking of the House was very industrious in examining and reporting bills, but, notwithstanding all their work, the fruit in the way of legislation consisted in the enactments only of the bill to provide for the redemption of bank notes, and for the settlement of insolvent banks through a receiver. These two enactments would constitute a very meager record of banking legislation for a long session of Congress, and at a time when reasonable measures for the relief of the National banking system are so much needed, and questions affecting the banking interests of the country are receiving so much attention. The failure of the Banking Committee of the House and the Finance Committee of the Senate to accomplish any more important legislation affecting the National banking system, despite the efforts that have been made session after session, and the simple and obvious justice of what is asked by the friends of the system, and recommended by successive Comptrollers of the Currency of both political parties, is significant. There is less hostility to the National banking system in Congress now than a few years ago. The rapid spread of National banks throughout the West and South has necessarily had some effect in checking the blind sectional prejudice, and reckless unreasoning opposition that used to be so formidable; but the change has been of little practical importance, as nothing has been accomplished in the way of legislation that has lessened the burdens now imposed on the banks; and no plan for the extension of the National banking system beyond the term of the four per cent. bonds has been seriously considered. Senator Sherman has recently taken occasion to say that, rightly or wrongly, the judgment of the people is against the continuance of the National banking system. The attitude of Congress is certainly in accordance with this view. Even the simplest modifications of the National banking laws, in justice to the banks, and required by the change of conditions since the present requirements were imposed, are neglected year after year. Mr. Lacey, in commenting upon the condition of the National banking system at the time of his retirement from the office of Comptroller of the Currency, calls attention to its increased popularity and wonderful perfection, and takes a hopeful view of its prospects during the years that intervene before the expiration of the four per cent. bonds. If there is to be no extension of its lifetime beyond this period, however, it is evident that the question as to how its place is to be supplied will force itself

more and more on public attention from this time. It is to be inferred from Senator Sherman's recent statements that he has been giving close attention to this subject, and will have comprehensive financial measures to propose quite as soon as Congress is in a mood for the consideration of so great a problem. The movement for the repeal of the tax on State bank note circulation is of much interest in this connection, and the prominence given to its discussion is a reassuring sign of the extent to which public appreciation has been aroused to the necessity for finding a substitute if the present system is to be burdened and restricted into impotence so far as its note-issuing functions are concerned, and permitted to expire with the retirement of the bonded debt.

Bank Examinations by Non-Experts.—The investigation into the affairs of a bank in Superior, Wis., by a committee of the common council of that city, has resulted in a well-considered request that they discontinue their work. The reasons are that the committee are inexperienced in such matters, and, consequently, do not know how to conduct the investigation; that the names of borrowers are likely to be divulged, which would be an injury to them. Those who sign the request do not wish to smother the investigation, but desire to have experts conduct it who will ascertain the truth, and with a proper regard to the rights and interests of all concerned. Is not this request reasonable? Whenever a bank has gone wrong many interests are always involved, and an investigation conducted too openly, and without a proper regard for the interests of the borrowers and others, would be sure to injure persons who ought not to suffer. Besides, in all cases, an investigation of this kind should be made by experts, and we cannot imagine how one conducted by the ordinary common councilmen or representatives of a city government would be likely to prove anything else than a farce, unless the committee was composed of very different men from those who usually serve. Credit is always a sensitive thing, no one can afford to tamper with it, certainly not the examiners of banking institutions.

Bank Taxation.—From many sources complaints are heard of excessive bank assessments. This is an old story, but bankers are, perhaps, more emphatic at the present time in their criticisms, because they are earning less money. In Brooklyn, the bank representatives have been contending for a lower valuation, based on the book value of the stock of their respective institutions. This would seem to be a just measure of value for taxable purposes, and we cannot imagine why fair-minded assessors should object to such a valuation. The banks in the South and Southwest, however, are treated much more harshly by the assessing

officers. Mr. R. J. Lowry, president of the Lowry Banking Company of Atlanta, remarked to a reporter of the *Atlanta Journal*, recently, that in conversation with the president of a bank in Philadelphia which had a capital of \$500,000, he learned that the tax paid was only three mills, or \$1,500 on the entire capital. The conversation between himself and the Philadelphia bank officer may be given in his own language:

"What!" exclaimed Mr. L., "do you mean to say that you pay only \$1,500 tax on your entire business in Pennsylvania?"

"Yes," answered the Philadelphia banker.

"Why," said Mr. L., "the same capital, under the laws of the State of Georgia would require an annual tax of about \$12,000."

"It is not strange, then," Mr. L. went on, "that Philadelphia can lend money at 6 per cent., while Atlanta must charge 8 per cent. The State laws oppress the people in this way by forcing them to pay a heavy interest, whereas if the same lenient policy in taxing banks as is pursued by the North were followed, the rate would be lowered and money would be easier."

The inequality in taxation borne by the banks in the respective sections of the country is an important element in determining the rates of interest. If the rates of interest in the South are higher than in the North, it ought not to be forgotten that the Southern banking institutions are also taxed more heavily on their capital. This fact has another meaning also. The Southern newspapers are continually voicing the demand of the people in their section that more money is needed; that the banks should furnish a much larger circulation, and for this reason favor the repeal of the 10 per cent. tax now existing on State circulation, supposing that, by thus expanding the local circulation, borrowers could obtain money at lower rates; but we are not quite so sure of this. The same spirit which prompts Southern Legislatures and municipalities to impose high rates of taxation on banks and railroads, and which, in many cases, are collected by too zealous officers, would lead them to impose even higher taxes if they had more profitable privileges; and if this were done, the only relief for the banks is to charge a higher rate for money. Thus the zeal of the people in taxing the bankers in these sections excessively, and beyond the burden borne by other classes, is felt in the form of an increased rate for money. The banks must do this in order to lessen the unjust burden imposed on them. Again, by thus taxing them, Northern banks have an advantage in lending to the South over their Southern competitors, and which would probably prove disastrous to some, if other causes did not operate in their favor. If capital was as secure there as it is in the North, if payments could be as readily and surely enforced, doubtless a large amount of Northern capital would flow into the South, which at present remains here. Whoever looks at the returns of the banks

must speedily discover what a large amount of idle capital they have at present, and which they would gladly send to the South, or anywhere else, at fair rates of interest, were they sure of receiving this, and also their capital, in due time. Anyhow, the unequal rates in taxation, as we have seen, affect borrowers in many ways, though they seem to be too shortsighted to perceive these things; otherwise, the feeling which now prevails, of wringing all the taxes out of them possible, without much regard to what is paid by other classes of property, would be lessened.

Maverick Bank Investigation.—A committee of the United States Senate has taken a hand at investigating the affairs of this institution, and some curious facts have been unearthed. Among other things, Bank Examiner Magruder was a borrower for a very large sum, and seems to have been a degenerate speculator. No wonder that the true condition of things was not reported more fully or promptly. The *Boston Advertiser* thus remarks concerning the investigation:

Its great deposits were largely used by its directors, who loaned to themselves, often on other names, those of mere dummies. Whatever the loss, the methods disclosed are a shock to the financial world. They bring again to view the old maxim in financial circles, that in positions of trust, no legal restraints, no laws, are sufficient to protect the innocent party. He must depend, in the end, upon the personal integrity of the trustee, the director, the guardian. The last few months in Boston have over and over again demonstrated how futile are all precautions of laws and of courts against personal dishonesty. In all fiduciary relations that element cannot be eliminated. Accountings and auditings go for very little, for they seldom discover the wrong until it has gone too far to be remedied. In the *Maverick Bank* case we do not believe that any actual dishonesty will be proven, but simply the deposits of the bank were used in carrying along the business and speculations of those who had its conduct in charge. They may have thought that the collaterals they deposited were sufficient, but the methods were contrary to the letter and spirit of all safe banking, and, if technically within the law, will only intensify the popular feeling that it is possible to evade restriction and regulation. What the remedy is, wise men have been endeavoring to discover for generations. One certainly is a more rigid condemnation on the part of the public of such transactions, and the prompt prosecution when the law will permit. Another must be the changed belief that it is not supervision, but personal uprightness, which will most effectually regulate the managers of property in trust, and that a more careful determination to withhold confidence from men who are speculating, and therefore tempted to use money placed in their charge for other purposes, is necessary. The system of National banks is one that has held its strength by virtue of the belief that Government supervision has insured its safety. That idea is losing ground, and the system must depend for popular confidence upon the implicit belief that the banks are managed in no way in a speculative sense, but conservatively. The brilliant banking which has been popular in some directions must give way to safe banking.

THE JUDICIAL MEANING OF THE NATIONAL BANK ACT.*

[CONCLUDED.]

SEC. 500d. **Moneyed capital.**—An assessment of bank shares at their cash value, and at no greater rate than other moneyed capital, is valid, even though an exemption be made of savings bank deposits which are invested in loans secured by taxable real estate. (*Bank of Redemption v. Boston*, 125 U. S. 60.)

SEC. 501. **General corporations are not moneyed capital.**—An assessment of National bank shares cannot be compared with that of insurance, trust and telephone companies for the purpose of determining whether the assessment is equal or not, for the money invested does not come within the phrase "other moneyed capital" in the tax law. Says Matthews, J.: "Within the definition of that phrase in the case of *Mercantile Bank v. New York* (121 U. S. 138) the interest of individuals in these institutions is not moneyed capital. The investments made by the institution themselves, constituting their assets, are not moneyed capital in the hands of individual citizens of the State." (*Id.* 68.)

SEC. 502. **Forms of unfriendly discrimination.**—In our work of which this is a supplement, five forms of unfriendly discrimination were described. One of these (3) is the valuing of National bank shares nearer to, or higher above their true value than other bank shares. In *Engelke v. Schlenker* (75 Texas 559) the shareholders of a National bank whose shares were assessed at their true value complained that they were illegally assessed by reason of the assessment of other property much below its true value. They sought to establish a custom of thus assessing it, but failed. "Even if it had been established," said the court, "it could not have properly affected the result of this suit. It appears that appellant's property was not assessed beyond its true value." The position of the court is very questionable, for if the shareholder could have established such a custom of discriminating against National bank shares he would have been entitled to relief. Of course, if no shares in other banks had been included in the assessment, the remark might have been correct, but it is quite probable that shares in other banks were included among the property assessed.

In another case the assessing officers assessed the shares of a National bank at their full value, and the other property in their district, credits, notes, mortgages and other moneyed capital known to them, at two-thirds of its value, or wholly omitted large

* Copyrighted by HOMANS PUBLISHING COMPANY.

amounts. This discrimination against the National bank shareholders was declared to be illegal, and the entire assessment was void. (*First Nat. Bank v. Lindsay*, 45 Fed. Rep. 619; *Whitney Nat. Bank v. Parker*, 41 *Id.* 402.)

Likewise an order made by a State board for equalizing the returns of bank shares from the various counties for the purposes of taxation, whereby the shares of a National bank are increased above that of other property in the county, was declared to be invalid. (*Whitbeck v. Mercantile Nat. Bank*, 127 U. S. 193.)

SEC. 506. Deductions.—A fifth form of unfriendly discrimination against National banks is in permitting deductions. If a State law permits taxpayers to deduct their debts from the assessed value of a class of credits constituting a material portion of the moneyed capital of the State belonging to its citizens, but denies to the owners of National bank shares the right to deduct their debts from the assessed value of their shares, the discrimination is unlawful. (*Wasson v. First Nat. Bank*, 107 Ind. 206.)

On the other hand, in Nebraska the owners of National bank shares are not permitted to deduct their *bona fide* indebtedness from their assessed value, while in assessing the property of unincorporated banks and brokers "they are allowed to deduct the amount of their indebtedness to depositors and the amount of all accounts payable, other than current deposits account, from the amount of their bills receivable, and other credits due, or to become due, but this deduction cannot be made from any other item of their property. The fact that the unincorporated bank is entitled to such deduction is no valid reason why the debts of the owner of National bank stock should be deducted from the value of his shares in assessing them. National banks are assessed solely by taxing the shares of stock. In unincorporated banks there are no shares to tax, and the Legislature of necessity was compelled to adopt a different method of taxing them, by assessing the value of the capital therein invested, which is practically the difference between the value of the assets and the amount of liabilities. The shares of a National bank do not represent the assets of the bank, but rather the difference between the value of its property and its liabilities. While the method of assessing National banks is different from that by which a private bank or banker is assessed, the rule of uniformity is preserved, so that it cannot be said that the law of the State requires that National banks shall be taxed at a greater rate than is imposed upon the capital invested in the State banks.

It must, we think, be conceded that the larger part of the moneyed capital of the individual citizens of this State, within the meaning of the words, 'other moneyed capital,' as defined by the Supreme Court of the United States, is in the hands of brokers,

stock jobbers, and incorporated and unincorporated State banks. And as the State has not, in the taxation of the capital thus invested, unjustly discriminated against the National banks, the fact that in the assessment of a small portion of the moneyed capital in the State, which is not invested so as to come in competition with the National banks, the taxpayer is permitted to deduct his *bona fide* indebtedness from credits, is not such a discrimination as violates the rule of equality required by the legislation of Congress." (Norval, J., *Bressler v. Wayne County*, 49 N. W. Rep. 787, overruling S. C. 25 Neb. 468.)

SEC. 506a. When deduction may be made, though the law is silent.—If the laws of a State permit a taxpayer owning moneyed capital to deduct from its assessed value his *bona fide* indebtedness, the holders of bank stock may do the same thing, even though the law makes no provision of this character for them, and the deduction is not demanded until after the shares are returned for assessment. (*Whitbeck v. Mercantile Nat. Bank*, 127 U. S. 193.)

SEC. 514. Taxation of real estate.—By the law of Pennsylvania (June 10, 1881,) the real estate of a National bank is subject to taxation distinct from its capital. Such a tax is valid. (*Second Nat. Bank v. Caldwell*, 13 Fed. Rep. 429.)

SEC. 516. Deduction of National securities.—Treasury notes accumulated by a bank as a part of its reserve cannot be taxed, though the object of accumulating them may have been to escape taxation. In *Griffin v. Heard* (14 So. W. Rep. 892) it was claimed "that the accumulation of the United States Treasury notes in the bank was for the purpose of evading taxation, and therefore they should not be exempted. But we do not think the testimony shows a case of evasion. The witnesses testified that the exigencies of their business required them to keep on hand a large reserve fund, which they had accumulated during a series of years, by retaining Treasury notes paid over the counter in the usual course of business, and by paying out other money. This we do not think an evasion of the tax laws, as recognized in the cases in which it has been held that Treasury notes, under the circumstances, were not exempt. If the Treasury notes had been procured for the special purpose, by the exchange of taxable money or property, the case would have been different. But having been received in due course of business, and having been held legitimately as a reserve fund, they remained non-taxable, although one purpose of selecting and retaining them was to escape taxation upon that amount of money."

SEC. 516a. If owned by the bank they cannot be deducted from the shares.—In assessing National bank shares, however, the capital and surplus of the bank invested in Government bonds cannot be deducted. (*First Nat. Bank v. Farwell*, 7 Fed. Rep. 518; *First*

Nat. Bank v. Board of Reviewers, 41 La. Ann. 181. See BANKER'S MAGAZINE, Oct., 1891, p. 273.)

SEC. 516b. **Deductions. Government securities.**—The law of Vermont provided that the listers in determining the grand list of a taxpayer should deduct from any offset claimed by the taxpayer on account of his indebtedness, the aggregate amount of his United States Government bonds, and other stocks and bonds exempt from taxation by the laws of the State. It was decided that the phrase "exempt from taxation" means declared by the laws of that State to be exempt from taxation, and not exempt from the operation of the tax laws of the State. (*Smalley v. City of Burlington*, 63 Vt. 443.)

SEC. 516c. **Exemptions. Shares in foreign corporations.**—The Vermont law exempting from taxation "shares of stock in a corporation of another State" when taxed therein applies to National banks. (*Smalley v. City of Burlington, Id.*)

A Canadian law imposed a tax on the capital of a bank. This was regarded as a tax on its shares owned by its shareholders within the meaning of the Vermont law exempting from taxation shares of stock in a corporation situated in another State when taxed therein. (*Foster v. Stevens*, 63 Vt. 175.)

SEC. 523b. **Where shares of residents shall be assessed.**—The case of *Palmer v. McMahon* has been fully described in our work on the banking act. Not content, however, with the decision of the highest court of New York, the case was transferred to the supreme Federal tribunal. The decision was affirmed in a brief opinion which contains no new principles. (*Palmer v. McMahon*, 133 U. S. 660.)

SEC. 529a. **Omission to notify bank of assessors' action.**—The omission of assessors within ten days after completing their assessment of the shares of a National bank to serve on the institution a notice in writing of their action, as required by law, does not vitiate the assessment. A resident shareholder especially has no reason to complain of this omission, as the requirement is for the single purpose of creating a lien for the tax on the shares on non-residents and to impose on the bank officers the duty of retaining the dividends until the tax is paid. (*People v. Smith*, 50 Hun. 39.)

SEC. 529b. **Clerical omission.**—The omission of a clerk to extend on the assessment roll the amount to be paid by each shareholder until after the roll has been delivered to the city treasurer does not render the taxation of the shares void. (*First Nat. Bank v. Waters*, 7 Fed. Rep. 152.)

SEC. 530. **Cannot be taxed by municipalities.**—A license tax by a city on a National bank is unconstitutional. When, however, the tax is only a debt, and not a lien, the bank is not entitled to equitable relief by injunction, because it can make a good defense

in an action to collect the tax. (*Second Nat. Bank v. Caldwell*, 13 Fed. Rep. 429; *Shelton v. Platt*, 139 U. S. 591.)

SEC. 535. State tax officers can inspect National banks.—The statute provides that "The president and cashier of every National banking association shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted. Such list shall be subject to the inspection of all the shareholders and creditors of the association, and the officers authorized to assess taxes under State authority, during business hours in each day in which business may be legally transacted. A copy of such list, on the first Monday of July of each year, verified by the oath of such president or cashier, shall be transmitted to the Comptroller of the Currency." (Rev. Stat. § 5,210.)

In the case of *First Nat. Bank v. Hughes* (6 Fed. Rep. 737) it was decided that National bank officers were justified in withholding the bank books from State officials who might desire to inspect them for the purpose of ascertaining the names, residences and deposits of individual depositors. But on appeal Judge Jackson reversed the decision. The judge, after repeating the statute, inquired: "Do the defendants, or either of them, propose the exercise of visitatorial authority? We think not. Visitation, in law, is the act of a superior or superintending officer, who visits a corporation to examine into its manner of conducting business, and enforce an observance of its laws and regulations. Burrill defines the word to mean 'inspection, superintendence, direction, regulation.' The exercise of no such authority is contemplated by defendants. They do not contemplate inspection, supervision, or regulation of complainants' business, or an enforcement of its laws or regulations. On the contrary, their purpose is to ascertain, in a legal way, and by legitimate testimony, whether any person had, at the time mentioned, on deposit with complainant any money subject to taxation in said county which had not been returned by the owners thereof for that purpose. Hence, the subpoena commanding the production of the complainant's books, in the manner and for the purpose stated, is not an exercise of 'visitatorial powers,' and it follows that the witness is not protected by said section from amenability to the Probate Court for his contempt in disobeying its mandate. But complainant insists, secondly, that the proposed enforced exhibition of its books will expose its business, lessen public confidence, diminish its deposits and consequent profits, and impair the value of the franchise. We fail to see any sufficient reason for such grave apprehensions. But if complainant's fears were well grounded, the State might still be entitled to the testimony demanded. Private rights must to a reasonable

extent yield to the public necessities." (Appeal to United States Sup. Court dismissed for lack of jurisdiction. 106 U. S. 523. See *Waite v. Dowley*, 94 U. S. 527; *Boyd v. United States*, 116 U. S. 616.)

In *Paul v. McGraw* (28 Pacific Rep. 532) it was also held that State courts had jurisdiction to compel the officers of National banks by *mandamus* to exhibit to the county assessor the list of the shareholders in their banks, which they were required by statute to keep. In this respect bank officers are not officers of the United States. That county assessors may avail themselves of this law, supplemental State legislation empowering assessors to demand the list is not necessary. (*Id.*)

SEC. 536. When injunction may be issued to restrain their collection.—Equity will not restrain by injunction the collection of a tax because the valuation was excessive, unless the party complaining has exhausted his legal remedies. (*Albuquerque Nat. Bank v. Perea*, 25 Pacific Rep. 776.) But when a bank is required to pay the taxes assessed on all its shares and reimburse itself from its shareholders, it may have their collection enjoined, as it stands in the relation of a trustee, and such a suit will save a multiplicity of actions. (*Whitney Nat. Bank v. Parker*, 41 Fed. Rep. 402. See § 539.) So, too, if shares are taxed beyond the limit established by Congress an injunction will be granted, but only for the excess. (*Whitney Nat. Bank v. Parker*, 41 Fed. Rep. 402.)

Again, the collection of a tax levied under an invalid law may be enjoined when this is necessary to prevent a multiplicity of suits. (*Dundee Mortgage, etc., Co. v. School District*, 19 Fed. Rep. 359.)

SEC. 538. Must pay amount due before applying for injunction.—A shareholder must pay the legal portion of the tax assessed against him before he can apply for an injunction to restrain the collection of the remainder. (*Huntington v. Palmer*, 8 Fed. Rep. 449.)

SEC. 547. Taxation of notes of individuals and companies.—On several occasions efforts have been made to subject individuals and corporations to the ten per cent. tax imposed on the circulation of State banks. But it has been held that certificates of a corporation are not taxable as "circulation" unless they were circulated, or intended to circulate, or to be used as money. (*United States v. Wilson*, 106 U. S. 620.) Neither does the law apply to notes issued by mercantile firms that are to be redeemed in goods. (*United States v. White*, 19 Fed. Rep. 723; *United States v. Van Auken*, 96 U. S. 366; *Hollister v. Zion's Co-Operative Mercantile Inst.*, 111 U. S. 62.) Neither does the law apply to certificates of indebtedness bearing interest and payable to the bearer on a day therein named, issued in five and ten dollar denomina-

tions and paid by a railroad company to its employes for wages, and providing that they would be received by it at or before maturity for any debts due to the company. (*Phila. & Reading R. Co. v. Pollock*, 19 Fed. Rep. 401.)

SEC. 552. **Tax on deposits, etc.**—Though Congress in 1883 repealed all the National bank taxes except that on circulation, a case occasionally arises under the laws that formerly existed, and these may be briefly described. In one of these a banker is defined. In *Richmond v. Blake* (132 U. S. 592) the plaintiff contended that he was a stock broker and not a banker within the meaning of the law. Mr. Justice Harlan, speaking for the court, thus answered the contention: "When the plaintiff admits, as he does, that his business was that of buying and selling stocks for his customers, and that in such business he employed capital, he proves that he was a banker within the statutory definition, and that, within the meaning of section 3,408, his capital was employed in the business of banking. He brings himself within the rule that Congress prescribed for determining who—for the purposes of the taxation in question, though not necessarily in the commercial sense—were bankers, and what was banking business. That rule is expressed in words that leave no doubt as to what was the intention of Congress. The judgment below gives effect to that intention and it is affirmed."

In taxing deposits it has been declared that the checks and drafts held by a city bank on other city banks, subject to payment on check or draft, should be included in determining the average daily deposits for the purpose of taxation. (*Bank v. Weber*, 41 Fed. Rep. 413.) But checks of country banks which were not thus considered subject to payment on check or draft were to be excluded. (*Id.*)

SEC. 563. **Tax on dividends.**—A National bank in good faith, but by mistake, declared a dividend, or made an addition to its surplus or contingent funds. The dividend or addition was declared to be subject to taxation, and the mistake could not be corrected by the courts in an action brought to recover the tax. (*Central Nat. Bank v. United States*, 137 U. S. 355, affg. 15 Fed. Rep. 222.) "The law conclusively assumes in such a case that a dividend declared and paid is a dividend earned." (*Bailey v. Railroad Co.*, 106 U. S. 109, 116.)

BANK COLLECTIONS.*

[CONTINUED.]

PAYMENTS.

Without special authority, or shielded by usage, a collecting bank can receive only money in payment. (*McCulloch v. McKee*, 16 Pa. 289; *Fifth Nat. Bank v. Ashworth*, 123 Pa. 212; *Merchants' Nat. Bank v. Goodman*, 109 Pa. 422; *Ward v. Smith*, 7 Wall. 452; *Marine Bank v. Fulton Bank*, 2 Wall. 252; *Commercial Bank v. Union Bank*, 11 N. Y. 203; *Levi v. Nat. Bank*, 5 Dill. 104; *Graydon v. Patterson*, 13 Wall. 258; see Usage, § 4.) Consequently, a bank would not be relieved from paying a note in lawful money by showing that Confederate notes, for example, were in circulation at the time of collecting it, and which were received and paid indifferently with other currency. But a bank would be protected by showing that the owner knew that such notes were received in payment and assented to the taking of them.† In Alabama, a depositor left notes and drafts for collection between November, 1861, and April of the following year, without giving instructions concerning the kind of funds to be received, and making no demand for them until after the close of the war. In this case it was decided that he could recover no more than the value of the Confederate currency at the time of making the demand.‡

In some States a collecting bank may take another check in discharge of the original one, but only as conditional payment. The obligation is regarded as alive until the second check is paid, unless the first is expressly taken as an extinguishing of the debt. In other States only money can be received. (*Fifth National Bank v. Ashworth*, 123 Pa. 212; *Fernald v. Bush*, 131 Mass. 591.) And the same rule applies to any other holder or collector. If he should present a draft drawn on a bank or banker to the drawee, and accept a check on another bank, instead of money, the risk of obtaining payment of the check would be the holder's. (*Hughes v. Kellogg*, 3 Neb. 186; *Franklin County Bank v. Beal*, 49 Fed. Rep. 606.)

In *Whitney v. Esson* (99 Mass. 308) the purchaser of goods in Nova Scotia sent a draft drawn by bankers in Halifax on Boston bankers to the vendors, who lived there, in payment. At maturity, they surrendered the draft to the drawee, taking in exchange their check on a Boston bank. The drawee having failed before the

* Copyrighted by HOMANS PUBLISHING COMPANY.

† *Greeves v. Louisiana State Bank*, 22 La. Ann. 228.

‡ *Henry & Co. v. Northern Bank*, 63 Ala. 527; *Planters' Bank v. Union Bank*, 16 Wall. 483.

collection of the check in the ordinary course of business, the vendors attempted to collect the amount of the purchaser, but failed to maintain their action. In reviewing the case, Mr. Chief Justice Chapman said: "In this case it is agreed by the parties that it is a common practice for holders of drafts to accept the check of the drawee in exchange for the draft, though it is not claimed to be a general established usage. It is undoubtedly true that men who keep bank accounts are accustomed to give checks for their debts, and in most cases their standing is such that these checks were taken by their neighbors as readily as cash. This may make a common practice among men who are dealing on their own account, in respect to such dealings; but such a practice falls short of a usage applying to the collection of drafts for absent parties. And it is not a reasonable usage that one who collects a draft for an absent party should be allowed to give it up to the drawee, and sacrifice the claim which the owner may have on prior parties, upon the mere receipt of a check which may turn out to be worthless. By taking the check and giving up the draft, the plaintiffs made the check their own as between them and the defendants, and were bound to apply it to the payment of the debt now in suit, in conformity with their agreement." Of course, if the drawee was not able to pay the draft, or gave a check therefor which the holder was willing to accept when presenting the other, the holder's rights would not be impaired; but in no case should the sender, from whom a bank receives paper for collection drawn on a bank or banker in the same place, be subjected to the further risk of payment of another check accepted for the original.

In *Fernald v. Bush* (131 Mass. 591), B., the payee of a sight draft, who had accepted it from F., after bank hours for a note, presented it to C. & D., the bankers on whom it was drawn, the next day within an hour after the opening of their banking-house. For this they gave their check on the First National Bank, which B. deposited within an hour after receiving it in the Bank of C. The next day the Bank of C. presented the check to the First National Bank, and payment was refused in consequence of C. & D.'s failure. It was declared that if C. & D.'s check had been dishonored on the day of receiving it, and B. had given notice of the dishonor to F. on the next day, he would have been liable on the draft. "But neither he, nor his agent, the Bank of C., could, by accepting from the drawers their check in lieu of money, prolong the plaintiff's liability as drawer; and by holding that check without presenting it for payment until [the next day he] discharged him from such liability." (The court citing *Whitney v. Esson*, 99 Mass. 308; *Smith v. Miller*, 43 N. Y. 171.)

We think a distinction may be justly observed between a draft

or check drawn on a bank or banker, and a draft drawn on a different kind of corporation or person. Whenever a check is deposited with a bank or banker, the depositor presumes that payment will be demanded in the usual course of business and that the money will be obtained; for a bank is supposed to have funds. But when the drawee of a draft is not a bank, the contrary presumption exists; it may be fairly supposed that he does not always have money in his possession, and that he will give a check on a bank or banker therefor. When, therefore, a check is taken for the draft as conditional payment, and proper diligence is used in collecting it, we think that the collecting bank has performed its duty. Whether a check thus taken should be immediately presented for payment to the drawee, or whether it can be collected through the Clearing House, wherever one exists, depends on the usage of the banks in that place. Whatever the usage may be, a bank, doubtless, would be safe in observing it.

Wherever the rule prevails that a bank must receive only money, if another check is taken and the bank on which it is drawn fails before completing the collection, and the check is dishonored, the loss falls on the collecting bank, and not on the owner (*Hazlett v. Commercial Nat. Bank*, 25 W. N. Cas. 282; *Fifth Nat. Bank v. Ashworth*, 123 Pa. 212; *Franklin Co. Nat. Bank v. Beal*, 49 Fed. Rep. 606), unless, knowing that another check or draft had been taken, he should order the bank to hold the same. This act would be regarded as condoning the bank's fault, and the loss, if any should thereafter occur, would fall on him. (*Hazlett v. Commercial Nat. Bank*, 25 W. N. Cas. 282.)

Again, whenever a bank can receive only money in making collections, if another check or draft is taken, no liability would be incurred should the original note or check be held until the payment of the other check or draft. Thus, drafts were drawn by C. on a commission company and deposited with the Columbia bank for collection, but which were not paid at maturity. The company afterward returned the drafts to the Columbia bank with their check in blank, authorizing it to fill the check for the amount of the returned drafts. This was done; the drafts were stamped as paid and transmitted to an Atlanta bank with the check of the company, which was drawn thereon, with directions to deliver the drafts to the company on payment of its check. This, however, was dishonored and returned with the drafts to the Columbia bank. When the Columbia bank first received the check it was regarded as good, and at once credited to C.'s account, and notice was given to him of what had been done. When it was dishonored, however, it was charged back to C.'s account. The drafts were considered as never having been paid, and the bank was justified in charging back the check, "it having been by mis-

take passed to C.'s credit." It should be remarked that the drafts were not surrendered to the company. On the other hand, a definite instruction was given to the Atlanta bank to hold the same until the company's check was paid. The crediting, therefore, of the check to C.'s account did not operate to discharge the drafts. (*Second Nat. Bank v. Cummings*, 18 So. Rep. 115.)

Suppose a collecting bank should accept a second check for the first, when only money ought to be received, what would be the consequence? Of course, the maker's responsibility would continue until the second check was paid; and the collecting bank would also be responsible. (*Hughes v. Kellogg*, 3 Neb. 186; *Franklin County Nat. Bank v. Beal*, 49 Fed. Rep. 606; *Fifth Nat. Bank v. Ashworth*, 123 Pa. 212.) But suppose the collecting bank should fail before the check was collected, would the owner of the original check be entitled to the proceeds of the second check, or could he look only to the representative of the failed bank? This question has been decided in different ways by the Federal courts. In the case of the *Franklin County Nat. Bank v. Beal* (49 Fed. Rep. 606) a note was sent to the Maverick National Bank of Boston "for collection and credit," for which a check was accepted and credited as cash to the sending bank. Before the check was collected the Maverick Bank failed, and the sending bank sought to recover the proceeds of the check which were paid to the receiver. But the court declared that "when the Maverick Bank received payment of the note, and credited the complainant with the amount in its general account with the complainant, it assumed all responsibility with respect to the payment of the note. If the check received in payment proved to be bad, it would not relieve the Maverick Bank. It might have received payment in cash, or by check or draft, or even by the substitution of a new note, but with this the complainant had no concern. Looking at the general nature of the transactions between these parties, it seems to us that when the note was paid and credit given to the complainant, the agency of the Maverick Bank to collect and credit this note ceased, because, as between the complainant and the bank, the bank had done that which it was required to do, and therefore the relation of the parties from that time must be held to be that of debtor and creditor. The form of payment is immaterial, because it could not affect the claim of the complainant against the bank, such payment being at the risk of the bank." In *Levi v. National Bank* (5 Dill. 104) the plaintiff transmitted a draft for collection and credit to the National bank, which was located in St. Louis. The draft was duly presented by the bank to the drawers, who gave their check on another bank for the amount. Before it was collected the National bank failed, and the proceeds, which were collected afterward by the receiver, were ordered to be given to Levi.

It is true, in the Franklin bank case, the Maverick Bank credited the second draft to the sending bank; does this unauthorized act, though, possess any significance? Judge Colt maintained that the bank rendered itself responsible for the amount, but did the Maverick Bank thus regard the crediting? Suppose the second check had not been paid, was the right gone either of the Maverick, or of the sending, bank, to collect the original? Moreover, until the first check was paid by the payment of the second the debt was not in truth discharged, and the entry therefore to the credit of the sending bank had no significance. In other words, if a bank has no right to accept a check in absolute payment, it cannot, by assuming the responsibility therefor, do this. Surely a collecting agent cannot transform its unlawful act into a lawful one by accepting the responsibility of the consequences. The consent of the sending bank, either expressly granted or implied, is needful. On the other hand, if the collecting bank had a right to take the check, instead of money, it could do so only conditionally, and the check belonged to the sending bank until the proceeds were collected, for in no case had the bank the right to take the check in absolute payment. (See § 12.)

In other States a bank can take another check from a bank, banker, other corporation or person indifferently as conditional payment. (*Burkholder v. Second Nat. Bank*, 42 N. Y. 538; *Turner v. Bank*, 3 Keyes 425; *Johnson v. Bank*, 5 Robt. 554; *Smith v. Miller*, 43 N. Y. 171, revsg. 6 Robt. 554.) And wherever Clearing Houses exist, checks are usually sent through them for collection which are drawn on the members. If they are drawn on individuals, who are not engaged in the banking business, or private bankers, or non-Clearing House banks, they are presented for payment, and either they are paid or a check is taken which is drawn on a bank that is a member of the Clearing House, or which clears through a member. Very frequently the check is certified, or certification is procured afterward. This is the "usual course of business" in New York City as well as in other places. (*Burkholder v. Second Nat. Bank*, 42 N. Y. 538.) And if a rule exists among Clearing House banks that checks received through the institution for payment may be examined and returned to it by a specified time, entries of them made by the drawee or receiving bank previously to that time, or cuts or other marks on the checks, will not prevent their return or work an acceptance or payment of them. (*German Nat. Bank v. Farmers' Deposit Nat. Bank*, 118 Pa. 294.)

If the check has been certified in payment of the note or check before delivery, the relations of the payee or holder and drawer are not affected by the certification. (*Beckford v. First Nat. Bank*, 42 Ill. 238; *Rounds v. Smith*, 42 Ill. 245; *Brown v. Leekie*, 43 Ill.

497; *Larsen v. Breen*, 12 Colo. 480, 484; *Continental Nat. Bank v. Cornhauser & Co.*, 37 Ill. App. 475, 480, 2 Danl. on Neg. Inst. §§ 16, 26.) In a recent case, Mr. Chief Justice Field said: "If the drawer in his own behalf, or for his own benefit, gets his check certified, and then delivers it to the payee, the drawer is not discharged; but if the payee or holder in his own behalf, or for his own benefit, gets his check certified, instead of getting it paid, then the drawer is discharged." (*Minot v. Russ*, 31 N. E. Rep. 489 Mass., citing *Born v. Bank*, 123 Ind. 78; *Andrews v. Bank*, 9 Heisk. 211; *Bank v. Leach*, 52 N. Y. 350; *Boyd v. Nasmith*, 17 Ont. 40; *Essex Co. Nat. Bank v. Bank*, 7 Biss. 193; *Bank v. Whitman*, 94 U. S. 343, 345; *Bank v. Jones*, 27 N. E. Rep. 533 Ill.; *Bank v. Miller*, 77 Ala. 168; *Bank v. Rotge*, 28 La. Ann. 933.)

If a collecting bank should receive an uncertified check, and, instead of demanding payment, should have the same certified by the payee bank, the drawer would be discharged, and the collecting bank would become liable to the owner. The effect of the certification, by the request of the collecting bank, is to transfer the fund in the drawee bank for its payment from the control of the drawer to the payee, and therefore the collecting bank is responsible. This is the law everywhere. (*First Nat. Bank v. Leech*, 52 N. Y. 350; *Boon v. First Nat. Bank*, 123 Ind. 78, and cases cited: *Smith v. Miller*, 43 N. Y. 171; *Meads v. Merchants' Bank*, 25 N. Y. 148; *Farmers & Mechanics' Bank v. Butchers & Drovers' Bank*, 16 N. Y. 125; *Merchants' Bank v. State Bank*, 10 Wall. 647; *Levi v. Nat. Bank*, 5 Dill. 104; *Continental Nat. Bank v. Cornhauser & Co.*, 37 Ill. App. 475, 480; *Metropolitan Nat. Bank v. Jones*, Ill. 1892.) In the *Leech* case, Mr. Justice Peckham said: "The law will not permit the check when due to be thus presented and the money to be left with the bank for the accommodation of the holder without discharging the drawer. The money being due and the check presented, it is his own fault if the holder declines to receive the pay, and for his own convenience has the money appropriated to that check subject to its future presentment at any time within the Statute of Limitations."

Of course, if money is received and the collecting bank fails to respond for the amount, it is liable. Or, if it surrenders a check to the drawee bank on receiving the cashier's check therefor, the collecting bank is liable for the amount. By so doing the liability of the collecting bank becomes fixed, "as much so as if it had received the cash." (*Fifth Nat. Bank v. Ashworth*, 123 Pa. 212; *Merchants' Nat. Bank v. Goodman*, 109 Pa. 422; *Ward v. Smith*, 7 Wall. 447; *McCulloch v. McKee*, 16 Pa. 289; *Marine Bank v. Fulton Bank*, 2 Wall. 252; *Commercial Bank v. Union Bank*, 11 N. Y. 203; *Graydon v. Patterson*, 13 Ia. 258, or 13 N. Y.) Nor would the payment of a portion or all of the original check by

the maker to the holder who deposited it for collection, relieve the collecting bank of its liability for the amount, nor could the sum thus paid be set off in an action by the depositor against the collecting bank. This seems a hard doctrine, but the reasoning of the court is that the collecting bank could demand no less than the face of the check, and the drawee bank must honor it for the full amount, if having enough funds. The collecting bank could not have the benefit of such a payment, but the amount could be recovered by the payor, of the depositor. (*Fifth Nat. Bank v. Ashworth*, 123 Pa. 212.)

In the case of the *People v. Bank* (39 Hun. 187, 189), a person drew a sight draft on H. and sent it to the defendant bank, which was located in the same town as H., to collect the same. H. paid the draft, and the bank remitted its own draft on a bank in New York City to the drawer. Before it was collected the defendant bank failed, and the drawee then sought to collect the amount of the receiver, and succeeded, for the collecting bank was clearly an agent in transacting the business, and though receiving the money from the drawee had not paid it over. "The particular mode of making the remittance," said the court, "was not mentioned, so the bank, under the general authorization contained in the letter of instructions, could adopt any of the usual and customary modes of remittance in use by banks or business men at that place. It could have purchased a draft of some third party on some bank or banker, in the usual course of business, and if it had used the money for that purpose, and in good faith, it would have been an act within the limits of its agency. But it was not authorized to use the funds and send its own draft on its own correspondent as a means of payment. It could not in that way discharge the duties it owed to its principal. Until its own draft was paid the transaction would not amount to a remittance . . . When a bank consents to act as a collecting agent, it assumes precisely the same duties and obligations towards its principal as an individual does when he acts in the same capacity."

If a check or other instrument is presented for payment and paid, and a draft is purchased on a solvent bank for remittance instead of money, this is proper, and the collecting bank is not responsible for the continued solvency of the institution. Nor does a different rule apply whenever a sub-agent is employed. If the collection is made and remitted in the form of a draft obtained for that purpose, the responsibility of the collector is discharged, whether the draft is sent to the bank in which the check was first deposited, or to the bank from which the check was received. (*St. Nicholas Bank v. State Nat. Bank*, 128 N. Y. 26, 32; see *Indig v. Nat. City Bank*, 80 N. Y. 100.)

But if a debtor should request the bank with which he does

business to draw its own draft on another bank and to send it to his creditor, and the drawer bank should fail before it was collected, the debtor would remain liable. Thus, a New York creditor sent a bill to his debtor, who requested his bank, as his agent, to transmit its draft on a New York bank to the creditor for the amount of his bill. This was done, and the creditor, without delay, sought to collect the draft, but the drawer bank failed and the draft was never paid. It was held that the draft did not extinguish the debt, although on its receipt the creditor forwarded to the debtor the account marked "paid," and dated and signed by them. Mr. Justice Speer remarked that if, by reason of the insolvency of the agent who the debtor had selected to meet his account, the principal must bear the consequences "in the absence of any express agreement to the contrary, providing due diligence is shown in presenting the bill for payment. One simple contract does not necessarily merge or extinguish another. The circumstance of the note or bill being given by an agent of the principal debtor cannot vary the question."

Is not the spirit of this rule observed by sending money in payment to the owner of the paper, without regard to the thing received from the debtor in discharge of his obligation? Thus, the owner of a note sent it to a bank for collection, which received a certificate of deposit that had been previously issued to the maker in payment. In the owner's letter accompanying the note, was a release of the mortgage given to secure the note, which the bank was directed to deliver "in exchange for a New York draft." As the bank failed before sending the draft, the owner sued the maker of the note but failed to recover, the court declaring that the bank was justified in receiving the certificate of deposit in payment. Mr. Justice Reed dissented, but is not the opinion of the majority based on a solid foundation? The owner desired payment of the note; what the bank received, whether a certificate of deposit, money, wheat, or other commodity, in discharge of the obligation, was of no concern to the owner. Had the New York draft been sent as requested and duly honored, the owner would never have made any inquiry into the nature of the payment made by the maker. The essence of the transaction was the sending of a good draft on a New York bank, or, in other words, the payment of money to the owner. It so happened, however, that the maker did not pay money, but a certificate of deposit, and so the contention arose that no payment at all had been made. Undoubtedly, if money, or its equivalent, is received by the collecting bank, it is responsible for the amount. The mishap in this case was the failure of the bank, not in receiving money from the maker, but in not paying it over to the owner. This it omitted to do, and

was clearly liable for the omission. Had the maker discharged his note in money, doubtless the bank would have been as delinquent in transmitting it to the owner.

When, however, the collecting bank does not receive money in payment, but accepts a certificate of deposit or something else as an equivalent, this, surely, is not always to be regarded as a payment. If the maker has delivered a certificate of deposit, or some other commodity, for example, in good faith as an equivalent, and the note or bill or other instrument has been delivered to him, and the owner has been fully paid, the obligation is discharged; but if there is collusion between the debtor and the bank, if it is in a failing condition and a certificate of deposit that has been issued by it is delivered in payment in order to save the maker from loss, this would be a fraud on the owner of the note collected, and the maker would remain liable. Of course, the collecting bank cannot discharge its duty to the party from whom it received the instrument for collection except by returning money, unless it has received instructions to take and send something else in payment. The essence of the transaction is to send money to the transmitter, and nothing else will satisfy the legal requirement of the collecting agent. (*British & American Mortgage Co. v. Tibballs*, 63 Ia. 468.)

It may be inquired, does not this principle run against that stated early in the chapter, that a collecting agent can receive only money in payment? Undoubtedly. But it does not clash against the principle of receiving checks as conditional payment, which is so often done. Therefore, the rule does not conflict with the decision in the *Franklin County Nat. Bank v. Beal* (49 Fed. Rep. 606), for the second check was not payment until it was paid, whatever were the consequences of receiving it to the sending and collecting banks. There is a weighty reason against permitting a collecting bank from receiving anything in lieu of money as payment, and it is thus stated by Mr. Justice Byles (*Sweeting v. Pearce*, 7 C. B. N. S. 485): "It is not disputed that the general rule of law is that an authority to an agent to receive money implies that he is to receive it in cash. If the agent receives the money in cash, the probability is that he will hand it over to the principal: but if he is allowed to receive it by means of a settlement of accounts between himself and the debtor, he might not be able to pay it over; at all events, it would very much diminish the chance of the principal ever receiving it; and upon that principle it has been held that the agent, as a general rule, cannot receive payment in anything but cash." (See *Pearson v. Scott*, Ch. Div. 1878, 5 Dill., p. 110.)

[TO BE CONTINUED.]

TAXATION OF NATIONAL BANKS.

SUPREME COURT OF WASHINGTON.

Paul, Assessor, v. McGraw.

State courts have jurisdiction to compel the officers of National banks by *mandamus* to exhibit to the County Assessor the list of the shareholders in their banks, which list they are required by Rev. St. U. S. § 5,210, to keep subject to the inspection of "the officers duly authorized to assess taxes under State authority," since, in respect to that duty, the bank officers are not officers of the United States.

In order that County Assessors may avail themselves of said act, it is not necessary that it should be supplemented by State legislation empowering the assessors to make demand for said lists.

Where the officers of a National bank have furnished to the assessor the statement required by Revenue Act 1891, § 21, giving the name of the bank, the number of shares, the par value of the shares, the amount paid up, the surplus or reserve fund, the undivided profits, and the amount legally invested in real estate, *mandamus* will not lie to compel them to furnish a list of the shareholders, in accordance with Rev. St. U. S. § 5,210, since the statement gives the assessor all the information he needs.

STILES, J.—The appellants in these two cases are officers of the First National Bank and of the Puget Sound National Bank, of Seattle, respectively. The respondent is the assessor of King County, who, in pursuance of his duties in listing property for taxation in his county in the month of June last, demanded of the appellants an inspection of a full and correct list of the names and residences of all the shareholders of the said banks, and the number of shares held by each shareholder, together with such information as the said officers had at their command as to the value, or tending to show the value, of said shares of stock. The assessor's demand was refused; whereupon he procured from the Superior Court of King County an alternative writ of *mandamus* requiring the bank officers to furnish the desired lists of shareholders. The respondents to the writs duly appeared, and, after making a motion to dismiss the proceeding for want of jurisdiction in the court, which motion was denied, and after demurring to the application on the grounds of want of jurisdiction, and that the application did not state sufficient facts, which demurrer was overruled, they answered, admitting the plaintiff's allegations concerning the bank's incorporation, but denying the facts which were alleged as tending to show the necessity the plaintiff was under to obtain the desired information from them; and, further, that at a time in the year 1891, and within the time provided by law for listing property for taxation, in response to a demand of the plaintiff therefor, they had furnished to plaintiff a statement, verified by oath, giving the amount of paid-up capital stock, the amount of surplus or reserve fund, and the amount of the undivided profits of said banks. The court found the facts to be as pleaded in the application, and also found that the affirmative matter pleaded by the respondents was true; and that they had in all respects complied with the requirements of section 21 of the act of March 9, 1891 (general revenue law); but it found as a matter of law that the respondents must furnish the list of shareholders, and made the writs peremptory. These appeals are from the final judgments thus rendered.

Writs of *mandamus* can be issued only in cases where the law specially enjoins the performance of an act as a duty resulting from an office,

trust, or station, and then only where there is no other plain and adequate remedy. (Code 1881, § 691.) The respondent contends that under the letter of section 5,210 of the Revised Statutes of the United States the appellants were in duty bound to give him inspection of the lists as demanded. Section 5,210 is as follows: "The president and cashier of every National banking association shall cause to be kept at all times a full and correct list of the names of and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted. Such list shall be subject to the inspection of all the shareholders and creditors of the association, and the officers duly authorized to assess taxes under State authority, during business hours of each day in which business may be legally transacted." It was therefore the appellants' legal duty to exhibit the lists, if it was necessary to the prosecution of respondent's official labors in making assessments. At this point, however, the appellants raise the objection that they are, with respect to this duty, officers of the United States, and therefore not subject to *mandamus* by State courts. No authority is cited for this position, and we do not admit it. In our judgment they are simply officers of the banking association, with whom the United States has no relations whatever, except as limited by the acts of Congress.

It is next claimed that, inasmuch as section 5,210 has not been supplemented by legislation of the State empowering some taxing officer to make the demand, it is inoperative, especially in view of the alleged scheme to tax the capital, surplus and undivided profits, found in sections 8 and 21 of the act of 1891. By the territorial revenue law (Code 1881, § 2,849), it was provided that the principal accounting officer of each banking association should list the shares of the association, giving the assessor the name of each person owning shares, and the amount owned by each. The foregoing provision was repealed by the revenue act of March 28, 1890, and the latter act required the accounting officers of all banks to furnish to the assessor verified statements showing the amount and number of the shares of the capital stock of their banks, the amount of their surplus or reserve funds, and the amount of their legally authorized investments in real estate. Again, the act of 1890 was repealed by the act of 1891; but the act of 1891 contained substantially the same provision as that cited above from the act of 1890, with the exception that the paid-up capital, the surplus or reserve fund, and the amount of undivided profits are to be declared. It thus appears that under the act of 1891 there is no law on the statute books of the State supplementing section 5,210, and, if the power to enforce the demand of the assessor existed at all, it must be conferred by the act of Congress alone, and the appellants' claim is so far well founded.

Was it, then, necessary that there should be State legislation before the assessor could avail himself of the list required to be exhibited by section 5,210? As conclusive authority upon this point, we are cited to the case of *Waite v. Downey*, 94 U. S. 527. Speaking of a statute of the State of Vermont which required the cashiers of National as well as other banks to transmit to the clerks of the several towns of the State in which any stockholder of such bank should reside a true list of the names of such stockholders, together with the amount of money actually paid in on each share on the 1st day of April of each year, the court said, in answer to the argument that the action of Congress was final and could not be supplemented by the States: "The act of Congress, however, was merely designed to furnish to the public dealing with the bank a knowledge of the names of its corporators, and to what extent they might be relied on as giving safety to those dealing with the bank. It

had no such purpose as the Vermont statute, and was wholly deficient in the information needed for the purposes of taxation by the State, as conceded to it by the act of Congress itself. Some legislation of Vermont was therefore necessary to the proper exercise of the rightful powers of the State, and, so far as it required this list, was not in conflict with any provision of the act of Congress." It will be observed that this case does not hold that the town clerks of Vermont could not have availed themselves of the list provided for by the act of Congress for whatever it was worth, and, when the court said it was "necessary to the proper exercise of the rightful powers of the State" that there should be further legislation, we construe the meaning to have been that, because, by a literal compliance with section 5,210, but little of real value to the taxing officers would be learned by them, further State legislation was both necessary and proper, in order that not only the names of the stockholders and the amount of their respective holdings might be known, but that the value of each share might be authoritatively fixed. We hold, therefore, that the point above discussed is not well taken.

Nor do we think that the absence of an express statutory direction to the assessor to procure these lists would defeat his right to them, under the view of the act of 1891 urged upon our consideration by the appellants, viz., that it was the design of the act to tax the shares in the hands of the stockholders, and the capital, surplus, and profits in the hands of the banks; for the bare lists required to be exhibited by the act of Congress would aid him very materially in discovering who the stockholders are, and where they reside.

Under these holdings, then, did the State court have jurisdiction of the subject-matter of the proceeding? Clearly, we think the answer must be in the affirmative. The fourth subdivision of section 5,136, Rev. St. U. S., in defining the powers of National banking associations, declares that they shall have power "to sue and be sued, complain and defend, in any court of law and equity, as fully as natural persons." And section 5,198 expressly provides that suits, actions, and proceedings may be had against these associations in any State, county or municipal court in the county or city where they are located, such courts having State jurisdiction in similar cases. Certainly, if the corporation can be sued, its officers may be. We find but two instances in all of the sections of the Revised Statutes where a proceeding relating to these banks is required to be in a Federal court, viz., sections 5,237 and 5,239, where the Government is itself dealing with them; and in section 5,234 the receiver of a National bank appointed by the Comptroller of the Currency is authorized to sell an insolvent bank's real estate upon the order of "a court of record of competent jurisdiction," which designation in a United States statute the Federal Supreme Court has said means, "of course, the State courts." (*Claflin v. Houseman*, 93 U. S. 130.) A reading of the learned opinion of Justice Bradley in this case must conclusively settle this question. (See, also, *Casey v. Adams*, 102 U. S. 66; *Bank of Bethel v. Pahquioque Bank*, 14 Wall. 383.)

There remains to be considered only the question whether, under the views so far expressed, the facts conceded and the law made these proper cases for *mandamus*. If the inspection of the lists were necessary to his official work, it would follow that these are such cases as we think the assessor had no other plain and adequate remedy. But this question of necessity requires some further examination of the laws governing National banks and the revenue laws of this State. Section 5,219, Rev. St. U. S., is as follows: "Nothing herein shall prevent all the shares in any association from being included in the valuation of the personal

property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the association is located, but the Legislature of each State may determine and direct the manner and place of taxing all the shares of National banking associations located within the State, subject only to the two restrictions that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State, and that the shares of any National banking association owned by non-residents of any State shall be taxed in the city or town where the bank is located, and not elsewhere. Nothing herein shall be construed to exempt real property of associations from either State, county, or municipal taxes, to the same extent, according to its value, as other real property is taxed." This section has been construed over and over again by the United States Supreme Court to prohibit the taxation of the capital of a National bank, as such, to the bank itself. (*Van Allen v. Assessors*, 3 Wall. 573; *People v. Commissioners*, 4 Wall. 244; *Bradley v. People*, *Id.* 459; *Bank v. Com.*, 9 Wall. 353; *Lionberger v. Rouse*, *Id.* 468; *Hepburn v. School Directors*, 23 Wall. 480; *People v. Commissioners*, 94 U. S. 415.) And it has been just as often, and in the same cases, held that the shares of stock may be taxed as the property of the stockholders, notwithstanding that a part or all of the bank's capital may be invested in securities of the Government. The manner and place of taxing the shares are left to the State Legislature, it being optional whether they be taxed to the several resident owners at the places of their residence, or at the place where the bank is located. Non-resident owners must be taxed at the *situs* of the bank.

Two methods have been recognized by which the taxes thus levied may be collected. The first is the ordinary way of assessing the stock to the individual holder, and collecting the amount levied as other personal taxes are collected. The second is one which, for a time, met strenuous opposition from the National banks, but which has been sustained by the courts, and is now quite general. It is to assess the entire stock of each bank to the holders thereof at the place where the bank is located, and to collect the amount levied from the bank, which is then at liberty to charge up the tax paid to the account of the stockholders *pro rata*, either as an item of expense or otherwise. This plan received elaborate consideration in the Supreme Court of the United States in *Bank v. Com.*, 9 Wall. 353, where it was sustained upon the theory that the bank is treated as a garnishee of the stockholders, who are indebted to the State in the amount of their taxes. Section 2,849, Code 1881, was constructed upon the plan above outlined, though it required the names of stockholders to be given, and presumably the assessments were made to them severally; the collection, however, being made from the bank. Again, in 1890, the revenue law of that year (section 22) provided for almost precisely the same scheme as that of the Code. In that law, however, the language was: "The stockholders of every bank located within the State . . . shall be assessed and taxed upon the value of their shares." The accounting officer of each bank was then required to furnish a verified statement showing the number of shares, their amount, the amount of the surplus or reserve, and the amount legally invested in real estate; but he was not required to give stockholders' names. Presumably in that year an assessment of 1,500 shares of the capital stock of the First National Bank of Seattle to the unknown owners thereof would have been a valid assessment, and the tax could have been collected from the bank. Coming, now, to the act of 1891, we find the law rewritten, and some unfortunate and confusing language used. This language, it is contended by the appel-

lants, has had the lamentable effect of relieving the shares of the National banks of the State from all taxation, and therefore the entire moneyed interest represented by them, since the banks themselves cannot lawfully be taxed in the manner proposed by the act. Section 8 requires every person who is a resident of the State to list to the assessor all his shares of stock, and its value must be given as of April 1st. Section 16 provides the form for the detail list of personal property, and in its twenty-fourth subdivision appears, "Shares of bank stock, including State and National." These and other provisions of this act, as well as section 1, art. 7, of the constitution, requiring all property to be taxed, the respondent insists, show the intention of the Legislature to be to assess the shares of each bank shareholder to him, and that this is the method to follow which the lists are required from the appellants. Appellants, on the other hand, say that, notwithstanding the portions of the act alluded to, it is clear that section 21 contains the specific law applicable to banks and bank shares, and that to hold with the respondent would be to say that the Legislature deliberately proposed to tax the same property twice, and one of the methods adopted for doing so was to tax the capital, which is prohibited by the acts of Congress. Respondent expressly admits that any attempt to tax the capital of these banks would be unlawful, and that any legislation of that kind would be void; and we have seen, from the cases cited from the United States Supreme Court, that, unless shares of the State banks are taxed, those of National banks cannot be. So that, if we construe section 21 literally and alone, the stock of National banks must escape altogether.

We think we see a clear way to harmonize the provisions of this statute so that all can stand. Sections 21 and 23 of the act are as follows: "Sec. 21. Every individual, firm, corporation, or association of persons, carrying on a general banking business in this State, whether the same has been organized under the banking laws of this State or of the United States, or conducted under the style of private bankers, shall be assessed and taxed in the county, town, city, or village where such bank or banking association is located, and not elsewhere, in the following manner: Annually, at such times as provided for listing property for taxation, every such bank or banking association, as contemplated in this section, shall, by its accounting officer, furnish the county or city assessor a statement, verified by oath, giving the amount of paid-up capital stock, the amount of surplus or reserve fund, and the amount of undivided profits of such bank or banking association. The aggregate amount of capital, surplus, and undivided profits shall be assessed and taxed as other like property in the State is assessed and taxed; provided, at the time of listing the capital stock, the amount and description of its legally authorized investments in real estate shall be assessed and taxed as other real estate is assessed and taxed under this act, and the assessor shall deduct the amount of such investments in real estate from the aggregate amount of such capital, surplus, and undivided profits, and the remainder then taxed, as above provided." "Sec. 23. Each bank and banking association shall be liable to pay any taxes assessed against them as the agent of each of its shareholders, owners or owner, under the provisions of this act, and may pay the same out of their undivided profit account, or charge the same to their expense account, or to the accounts of such shareholders, owners, or owner, in proportion to their ownership." Were it not for section 23, we confess that it would be extremely difficult to make anything like a harmonious disposition of the various portions of this act relating to taxation of banks. But a few words will suffice to make the matter clear. We know that the Legislature must have had in mind (1) that the capital

of National banks could not be taxed at all; (2) that the shares of such banks could be taxed, provided that the shares of State banks were taxed, and at the same rates as State bank shares and other moneyed capital; (3) that the shares of non-residents of the State could only be taxed at the place where the bank is located; (4) that, while all property in the State is required to be taxed, it can only be taxed once; (5) that the very easiest and simplest way to collect the tax on property of this kind is by the garnishment method approved in *Bank v. Com.*, *supra*, and actually in operation in the State and territory for many years. Then we have the provision of section 21, that the assessment and taxation shall be in the county, town, city, or village where the banking association is located, and not elsewhere. (If it were here intended that the capital should be taxed, where would be the necessity for this restrictive language, when, under the ordinary rules of assessment, the place of the bank would be the place of assessment?) Manifestly this requirement annuls the provisions of sections 8 and 16 for the listing of bank stocks, since, obviously, the only purpose of this listing is to enable a tax to be levied; and if the resident of one county, who owns the stock of a bank located in another, list his stock in the county of his residence, it will be taxed there; and if the respondent's contention is correct, and he obtains the list demanded from the bank's officers, he will cause the very same stock to be again assessed and taxed in the county where the bank is located. Suppose, now, that in this instance every stockholder of these banks resides out of, and has no property in King County, how shall the tax be collected? Plainly, by a resort to section 23. But could it be contended for a moment that a resident of King County may be required to list his shares, and pay his own taxes upon them, while his fellow-stockholders, who reside elsewhere, may have their taxes paid out of the funds of the bank, and charged up to general expenses? We think not, but that the purpose of the law is to tax all the stock at the place where the bank is, and to furnish an ample, uniform, and easy method of collecting the tax upon the whole from the bank as garnishee. When it has all been thus collected, it would be just as between the stockholders to charge the total sum paid to expenses, but not till then. This must be the intention, or the provisions of section 21 affecting National banks are void; whereas, with such conceded to be the intention, we can regard the listing required in that section as part of the machinery set up for the convenience of the assessor in making a just assessment of the stock, which is all that can be assessed. Now, it was found by the court below that the appellants had, before the application for writs of mandate, upon the demand of the respondent, furnished to him the statements required by section 21, which in all respects complied with that section. Where, then, with these statements in his possession, was the necessity that the respondent should be furnished the lists provided for in section 5,210? He knew the names of the banks, the number of shares, the par value of the shares (by law \$100 each), the amount paid up, the surplus or reserve fund, the undivided profits and the amount legally invested in real estate. What more was requisite for a good assessment of the shares? Not the names of stockholders, and especially not the lists directed to be exhibited by section 5,210, since the respondent did not make his demand until the 24th day of June. Assessments must be made as of April 1st at 12 o'clock noon, not as of June 24th. But the act of Congress requires the list of stockholders to be kept revised from day to day, so that, had these lists been furnished they would, possibly, not have shown the name of a single person who was a stockholder on the 1st day of April, and an assessment based upon them might have been

all wrong. Upon the whole case, therefore, we hold that the writs should have been refused, and this holding requires a reversal of the cases, and it is so ordered.

Anders, C. J., and Hoyt, Dunbar and Scott, JJ., concur.—*Pacific Reporter*.

LIABILITY OF DRAWER OF A CERTIFIED CHECK.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

Minot v. Russ, Head v. Hornblower.

Where a bank upon which a check is drawn fails before payment thereof, though it is presented in due season, and the drawer of the check in his own behalf, or for his own benefit, had the check certified before delivering it to the payee, he is not discharged from liability on the check.

The drawer is discharged if the payee or holder of the check, in his own behalf or for his own benefit, got the check certified instead of getting it paid.

FIELD, C. J.—The first case is an appeal from a judgment rendered by the Superior Court for the defendant on his demurrer to the declaration. The defendant on October 29, 1891, drew a check on the Maverick National Bank payable to the order of the plaintiff, and, being informed by the plaintiff that the check must be certified by the bank before it would be received, the defendant on the same day presented the check to the bank for certification, and the bank certified it by writing on the face of the check the following: "Maverick National Bank. Pay only through Clearing House. J. W. WORK, Cashier. A. C. J., Paying Teller." After it was certified, the check was, on Saturday, October 31, 1891, delivered by the defendant to the plaintiff for a valuable consideration. The declaration alleges that the bank stopped payment on Monday morning November 2, 1891, "before the commencement of business hours of said day," and that on that day payment was duly demanded of the bank, and notice of nonpayment was duly given to the defendant.

The second case is an appeal from a judgment rendered for the defendants by the Superior Court on an agreed statement of facts. On Saturday, October 31, 1891, the defendants drew their check on the Maverick National Bank, payable to the order of the plaintiffs, and delivered it to them in payment of stocks bought by the defendants of the plaintiffs. The check was received too late to be deposited by the plaintiffs for collection in season to be carried to the Clearing House on that day, but during banking hours on that day the plaintiffs presented the check to the Maverick National Bank for certification, and the bank certified it by writing or stamping on its face the following: "Maverick National Bank. Certified. Pay only through Clearing House. C. C. DOMETT, A. Cashier. —, Paying Teller." At that time the defendants had on deposit sufficient funds to pay the check, and the bank, on certification, charged to the defendants' account the amount of the check, and credited it to a ledger account called "Certified Checks," in accordance with their uniform custom. After certification, the plaintiffs on the same day deposited the check in the Hamilton National Bank for collection. It is agreed that if the check had been presented for payment on Saturday in banking hours it would have been paid; but the Maverick National Bank transacted no business after Saturday, and on Sunday the Comptroller of the Currency placed a National bank examiner in charge, and the bank was put into the hands of a receiver. The

Clearing House on November 2d refused to receive checks on the Maverick National Bank, and the check was on that day duly presented for payment, and due notice of nonpayment was given to the defendants. Each of the checks was in the ordinary form of checks on a bank, and they were payable on demand, and no presentment for acceptance or certification was necessary to charge the drawer. In a sense, undoubtedly, a check is a species of bill of exchange, and in a sense, also, it is a distinct commercial instrument, but according to the general understanding of merchants, and according to our statutes, these instruments were checks, and not bills of exchange. "A check is an order to pay the holder a sum of money at the bank on presentment of the check and demand of the money. No previous notice is necessary. No acceptance is required or expected. It has no days of grace. It is payable on presentment, and not before." (*Bullard v. Randall*, 1 Gray, 603.) The duty of the bank was to pay these checks when they were presented for payment if the drawers had sufficient funds on deposit. The bank owed no duty to the drawers to certify the checks, although it could certify them if it saw fit, at the request of either the drawers or of the holders, and if it certified them it became bound directly to the holders, or to the persons who should become the holders. In either case the bank would charge to the account of the drawer the amount of the check, because by certification it had become absolutely liable to pay the check when presented. When a check payable to another person than the drawer is presented by the drawer to the bank for certification, the bank knows that it has not been negotiated, and that it is not presented for payment, but that the drawer wishes the obligation of the bank to pay it to the holder when it is negotiated, in addition to his own obligation. But when the payee or holder of a check presents it for certification the bank knows that this is done for the convenience or security of the holder. The holder could demand payment if he chose, and it is only because instead of payment the holder desires certification that the bank certifies the check instead of paying it. In one case the bank certifies the check, for the use or convenience of the drawer, and in the other for the use or convenience of the holder. In the present cases the checks were seasonably presented to the bank for payment, and on the facts stated the defendants would be liable unless the certification discharged them from liability. It is argued that the certification of a check, whereby the bank becomes absolutely liable to pay it at any time on demand, discharges the drawer, because it is said that the check then becomes, in effect, a certificate of deposit; and it is also argued that the certification is, in effect, only an acceptance of a bill of exchange, and that if payment is duly demanded of the bank, and refused, and notice of nonpayment duly given, the drawer is held. So far as the question has been considered, it has been decided that the certification of a bank check is not in all respects like the making of a certificate of deposit or the acceptance of a bill of exchange, but that it is a thing *sui generis*, and that the effect of it depends upon the person who, in his own behalf or for his own benefit, induces the bank to certify the check. The weight of authority is that if the drawer, in his own behalf or for his own benefit, gets his check certified, and then delivers it to the payee, the drawer is not discharged; but that if the payee or holder in his own behalf, or for his own benefit, gets it certified instead of getting it paid, then the drawer is discharged. (*Born v. Bank*, 123 Ind. 78, 24 N. E. Rep. 173; *Brown v. Leckie*, 43 Ill. 497; *Rounds v. Smith*, 42 Ill. 245; *Andrews v. Bank*, 9 Heisk. 211; *Bank v. Leach*, 52 N. Y. 350; *Boyd v. Nasmith*, 17 Ont. 40; *Essex County Nat. Bank v. Bank of Montreal*, 7 Biss. 193; *Bank v. Whitman*, 94 U. S. 343.

345; *Bank v. Jones* (Ill. Sup.), 27 N. E. Rep. 533; *Bank v. Cornhauser*, 37 Ill. App. 475; *Bank v. Miller*, 77 Ala. 168; *Larsen v. Breene*, 12 Colo. 480, 21 Pac. Rep. 498; *Bank v. Roige*, 28 La. Ann. 933; *Morse, Banks*, §§ 414, 415.) We are of opinion that this view of the law rests on sound reasons. If it be true that the existing methods of doing business make the use of certified checks necessary, the persons who receive them can always require them to be certified before delivery. If they receive them uncertified, and then present them to the bank for certification instead of payment, so far as the drawer is concerned, the certification should be considered as payment. It may also be said that in the second case the certification amounted to an extension of the time of payment at the request of the payees without the consent of the drawers. Before the certification the drawers could have requested the payees to present the check for payment on Saturday, or could themselves have drawn out the money and paid the check. After certification the amount of the check no longer stood to the credit of the drawers, and the payees had accepted an obligation of the bank to pay only through the Clearing House, which could not happen before the following Monday. The result is that in the first case the judgment is reversed, and the demurrer overruled; and in the second case the judgment is affirmed. So ordered.—*Northeastern Reporter*.

APPLICATION OF INDORSER'S DEPOSIT.

SUPREME COURT OF PENNSYLVANIA.

Mechanics & Traders' Bank of Brooklyn v. Seitz et al.

A note was indorsed to a bank for full value, before maturity. It was not paid, and was protested. The indorser to the bank had sufficient money deposited there to pay the note. A clerk of the bank charged the note up to the indorser; but when this became known to the cashier, he directed the clerk to correct his act by crediting the indorser with the same amount, so as to leave his account as before. The indorser had not authorized such application of his deposit, but had insisted that the bank proceed against the maker, to which the bank had agreed. *Held*, that such application of the deposit was not a payment of the note.

The maker of a note cannot compel a bank, the holder of the note, to apply the deposit of an indorser to its payment.

WILLIAMS, J.—The defendants are brewers in the city of Easton. In February, 1890, they bought from the New Process Ice & Refrigerating Company a refrigerating machine for use in their business. In the following June they gave in part payment for the machine their negotiable note for \$1,500, payable at the First National Bank of Easton, at 90 days. The company transferred this note a day or two after it was given to its president, J. J. Hayes, in consideration of his payment of bills then maturing to an amount equal to or greater than the note. He soon after indorsed the note to the plaintiffs' bank, which discounted it, placing the proceeds to his credit. The bank thus became the owner of the note in the usual course of business, for full value, before maturity, and without notice of any equities between the maker and the payee, if any such existed. When it fell due it was sent to the bank at which it was payable for collection. It was not paid, and was returned to the holder duly protested. Upon this state of facts the maker, the payee, and the indorser were severally liable to the bank, and were liable to each other in the order in which their names stood as parties to the

instrument. Hayes kept an account at the bank, and when the note was returned, protested, the balance in his favor was sufficient to cover the amount due upon it. A clerk, in accordance with what he considered a business habit, charged the note up to Hayes' account on the books of the bank; but, when this fact came to the notice of the cashier, he told the clerk that this was not as they intended, and directed him to correct his act by crediting Hayes with the same amount, so as to leave his account to stand as before. The bank then brought this suit against the makers. They allege they have a defense against the payee, and, to deprive the plaintiff of its position as a holder in due course of business and before maturity, they contend that it was the duty of the bank to charge up the note against the balance due to Hayes, and that the existence of this balance was payment in law. They further contend that, at all events, the act of the clerk in charging up the note was payment in fact that divested the title of the bank; and that the subsequent credit made under the direction of the cashier is not to be treated as the correction of a mistake, but a new purchase of the note, made after protest, and subject to the duty to inquire which the law imposes on the purchaser of overdue and dishonored paper. It is practically conceded, and it is clear upon the facts as they are presented to us, that unless the defendant's theory can be sustained they cannot defend successfully in this case. The bank, if a holder for value in the ordinary course of business before maturity, is not subject to the equities growing out of the sale of the refrigerating machine, and must recover on its title as the holder. We come, then, to inquire, what was the duty of the bank in regard to the deposit standing to the credit of Hayes? The general rule is well settled that while the bank may appropriate funds in its hands, belonging to any previous party to the note, to the payment of it when payment is not made at the time and place named, yet it is not bound to do so. The note may be treated as, in effect, an order or check authorizing the bank to apply the deposit to the payment, but the deposit is not payment in law. Even as between the bank and the maker, the bank is not bound to make the application, but may take the risk of its ability to collect from him, and allow him to withdraw his deposit. (Morse, Banks, 559.) But where the bank holds funds of the maker when the note matures, it is bound to consider the interests of the indorsers or sureties; and if it allows the maker to withdraw his funds after protest, and the indorsers are losers thereby, the bank is liable to them. (*Bank v. Henninger*, 105 Pa. St. 496; *Bank v. Foreman*, 138 Pa. St. 474, 21 Atl. Rep. 20.) The reason of this rule is that the maker is the principal debtor, and liable to all the indorsers whose undertaking is to pay if he does not. If the holder surrenders the money or securities of the maker, he parts with that in which all who have a right to look to the maker for indemnity have a definite interest; and if his act inflicts loss on them, he must stand, as to the money or securities surrendered, in the place of the maker. As the maker is liable to the indorser, it is very plain that he cannot require the bank to appropriate the indorser's funds to the payment of his own note, nor complain if the bank refuses to do so. He has no business with the state of accounts between the indorser and the bank, but it is his duty to relieve the indorser by the payment of the note in accordance with its terms. Nor was there any payment in fact in this case. The indorser did not authorize the application of his deposit to this note, but insisted that the bank should proceed against the makers. The bank agreed to this. The unauthorized charge made by the clerk was at once corrected by the cashier. The deposit of the indorser was left subject to his check, and the bank, by this action, called on the makers

to make good their promise to pay. We see no reason why they should not. The 1st, 2d, 3d, and 4th assignments of error are sustained; also the 10th, 11th, 12th and 13th. The judgment is reversed, and a *venire facias de novo* awarded.—*Atlantic Reporter*.

PROTEST AND NOTICE—HALF-HOLIDAY LAW.

SUPREME COURT OF NEW YORK, GENERAL TERM.

Sylvester et al. v. Crohan et al.

A sight draft received in New York on Friday was presented to the drawee Saturday forenoon, and at his request was again presented on Monday, when, payment being refused, it was protested, and the usual notice mailed on the same day to the drawers. Laws N. Y. 1887, c. 289, § 1, makes Saturday afternoon a half-holiday, and provides that demand of acceptance or payment of any bill of exchange not paid on the forenoon of that day may be made, and notice of protest given, on the next succeeding secular day. *Held*, that the payees were not guilty of laches, and that the drawers were liable.

PER CURIAM.—This action was brought to recover on a sight draft made by defendants to the order of the plaintiffs, and drawn upon one Abraham Backer. The defense was that the payment of the draft was lost by the laches of the plaintiffs, and thereby the defendants became discharged from liability thereon. The draft being drawn in favor of residents here, and made payable here, the rights of the parties are to be governed by the laws of this State. In determining them, resort must be had to the construction to be given to the statutes of the State with reference to the time within which a draft may be presented for payment, and, if refused, thereafter protested. The court found that the plaintiffs received said draft through the mails on Friday, July 31, 1891, at 11 o'clock in the forenoon, and without presenting it to the drawee, Abraham Backer, on the same day and hour, deposited it to their credit in the Importers & Traders' National Bank of New York, and returned said note to the defendants; that a messenger of said bank presented said draft to said Abraham Backer for payment on Saturday, August 1, 1891, between 10 and half-past 10 o'clock in the forenoon, and was directed to leave notice, and present again on Monday; and that said draft was presented for payment to said drawee on Monday, August 3, 1891, and payment thereof was then demanded and refused, whereupon said draft was then and there protested for non-payment, and on the same day the usual notice of protest was mailed to defendants at Savannah, Ga.

By section 1 of chapter 289 of the Laws of 1887, every Saturday from 12 o'clock at noon until 12 at midnight is designated a half-holiday; and for all purposes whatever, as regards the presenting for payment or acceptance, and protesting and giving notice of the dishonor, of bills of exchange, bank checks, and promissory notes, might after the passage of the act be treated and considered as the first day of the week, commonly called Sunday, and as public holidays or half-holidays, and all such bills, checks, or notes, otherwise presentable for acceptance or payment on any of said days, shall be deemed to be payable, or to be presentable for acceptance or payment, on the secular or business day next succeeding such holiday, but in case of a half holiday shall be presentable for acceptance or payment at or before 12 o'clock noon of that day; provided, however, that for the purpose of protesting or otherwise holding liable any party to any bill of exchange, check, or promissory

note which shall not have been paid before 12 o'clock noon on any such half-holiday, the demand of acceptance or payment thereof may be made, and notice of protest or dishonor thereof may be given, on the next succeeding secular day. We think that this case falls within these provisions. The plaintiffs were bound to present the note for payment on the day succeeding the day on which it was received. It was presented for payment on Saturday, and not paid, and by the provisions of the statute the plaintiffs had until the next succeeding secular or business day upon which to present a formal demand and protest, and give notice thereof to the drawer; and, this provision having been complied with, we think the drawers were properly held. The judgment should therefore be affirmed, with costs. All concur.—*New York Supplement.*

LEGAL MISCELLANY.

NEGOTIABLE INSTRUMENT—FAILURE OF CONSIDERATION.—The consideration for which a negotiable promissory note was given was a jack, warranted by the seller to be a sure foal getter. In an action upon the note by an indorsee, who purchased the paper before due, in the ordinary course of business, for value, having knowledge of the contract of warranty, but neither he nor the makers of the note having any knowledge that the warranty had failed until long after the transfer of the paper, *held*, that the defense of breach of warranty was not available against the plaintiff. [*Rublee v. Davis*, Neb.]

NEGOTIABLE INSTRUMENT—FORGERY—EVIDENCE.—In an action upon a note, claimed by the defendant to be forged, it is not competent for him to introduce evidence tending to prove that the payee had, at other times, and unconnected with the note in suit, negotiated paper alleged to be forged. [*Monitor Plow Works v. Born*, Neb.]

BANKS AND BANKING—SPECIAL OR GENERAL DEPOSIT.—Plaintiff delivered money to a banker, her representative stating to him that she wished to leave it with him until he could invest it. He made out a savings deposit ticket in her representative's presence, and gave her a pass-book, containing rules and regulations, showing the opening of an account between herself and the bank; and the transaction was entered in his books as other savings accounts: *Held*, that the deposit was a general, and not a specific one. [*Wetherell v. O'Brien*, Ill.]

CORPORATIONS—STOCKHOLDERS.—The judgment creditor of a corporation sued its stockholders to enforce their liability for unpaid subscriptions for stock. During the pendency of the suit, three of the directors, without any notice to the other two directors, privately met and passed a resolution authorizing the president and secretary to assign all its property for the benefit of its creditors; and in pursuance thereof a deed of assignment was executed: *Held*, that the assignment was void. [*Doernbecher v. Columbia City Lumber Co.*, Oreg.]

NEGOTIABLE INSTRUMENTS—LIABILITY OF INDORSER.—Evidence that it was understood between the indorser and the indorsee of a note that if the latter could not collect it from the maker he would come back on the indorser, and that he took the note because he had better opportunities than the indorser to see the maker, does not tend to show that the indorser waived notice of the maker's refusal to pay. [*Wright v. Liesenfeld*, Cal.]

NEGOTIABLE INSTRUMENTS—PAROL AGREEMENT.—In an action by

the payee against the maker of a promissory note which specifies no time for payment, the latter may show a contemporaneous parol agreement that the same should not mature until the payee's marriage. [*Horner v. Horner*, Penn.]

NEGOTIABLE INSTRUMENTS—TRANSACTIONS WITH DECEDENT.—Where a wife, on the death of her husband intestate, leaving children, without authority, takes possession of his estate, and is sued on a note given by her in consideration of a note which the holder represented to have been executed by her husband, plaintiff is incompetent to testify as to the consideration of the note given by the husband, since defendant, though not an executrix, administratrix, heir at law, or survivor of her husband, is a "next of kin," within the meaning of Code, § 3.639. [*French v. French*, Iowa.]

NEGOTIABLE INSTRUMENT—BANK.—A bank may sue as payee on a note payable to its cashier. [*Erwin Lane Paper Co. v. Farmers' Nat. Bank of Constantine*, Ind.]

BANKS—APPOINTMENT OF RECEIVER—CONSTITUTIONAL LAW.—The provision of section 14, ch. 37, Laws 1889, known as the "Banking Act," which authorizes the appointment by the court of receivers of insolvent private banks to take charge of and wind up the business thereof, does not conflict with the provisions of section 2, art. 6, of the constitution. [*State v. Exchange Bank of Milligan*, Neb.]

CORPORATIONS—SUBSCRIPTIONS BEFORE ORGANIZATION.—A subscription to the capital stock of a corporation to be thereafter formed does not take effect as a contract until organization, and before that time a subscriber may withdraw. [*Hudson Real Estate Co. v. Tower*, Mass.]

INTEREST—USURY.—Where money has been loaned at a specific rate of interest—as 10 per cent.—and the note contains a provision that, if not paid at maturity, the maker shall pay 12 per cent. thereafter, the higher rate is in the nature of a penalty, and the contract rate will continue as before the maturity of the note. [*Richardson v. Campbell*, Neb.]

USURY—JUDGMENT BY CONFESSION.—Act March 3, 1887, providing that every lien created or arising by mortgage, deed of trust, or otherwise, "to secure the payment of a contract," for usury, and every conveyance made "in furtherance of any such lien," is void, and may be annulled at the suit of the maker of the usurious contract, does not apply to a judgment by confession in an action to foreclose an usurious mortgage. [*Bell v. Fergus*, Ark.]

CORPORATIONS—STOCK—LIEN.—A corporation has no lien, unless created by a statute or its charter, on the stock of a stockholder, to secure a debt due by the stockholder to the corporation, and cannot resist or prevent a transfer of the stock. [*Gemmell v. Davis*, Md.]

CORPORATIONS—RIGHT OF STOCKHOLDERS.—Where all the stock of a corporation is owned by three persons, an agreement by which two of them agree to buy the stock owned by the third, to be paid for in part by the proceeds of a note given by the corporation, and the residue by notes of the vendees, which they agree, as between themselves, shall be paid for out of the earnings of the company, is valid. [*Schilling & Schneider Brewing Co. v. Schneider*, Mo.]

NEGOTIABLE INSTRUMENT—PAROL EVIDENCE.—In an action on a note, in which defendants expressly promised to pay a certain sum of money, evidence is inadmissible that defendants signed the note not intending it to be an obligation to pay a definite sum of money, but as an undertaking to furnish plaintiff with a horse, and that the note was

signed on plaintiff's express representation that it was a mere matter of form and not an obligation. [*Zeigler v. McFarland*, Penn.]

NOTARY PUBLIC—ALIEN.—Although one not a citizen of the United States is ineligible as a notary public, under Const. art. 8, § 12, and Rev. St. 1889, § 7,107, yet an alien who has been duly commissioned as such is a *de facto* notary, and has authority to acknowledge deeds. [*Wilson v. Kimmel*, Mo.]

BANKS—APPLICATION OF PAYMENTS.—Where a bank became assignee of a lessor, and held certain securities of the lessees, which it collected and sought to apply on the rent, *held*, that it had no lien upon such securities for the rent, and could not apply the same in payment of the rent without the lessees' consent. [*Buffalo County Nat. Bank v. Hanson*, Neb.]

NEGOTIABLE INSTRUMENT—GUARANTY.—A stranger to a promissory note, who writes his name across the back thereof before it is delivered to the payee, incurs, *prima facie*, the liability of a guarantor. [*Fullerton v. Hill*, Kan.]

NEGOTIABLE INSTRUMENT—PLEADING AND PROOF.—Plaintiff, having offered the note, and proved that he received it before maturity, for value, with the indorsements thereon, and without notice of any defense, made a *prima facie* case, and cast the burden on defendant of disproving the genuineness of the indorsements. [*Pendleton v. Smislaert*, Colo.]

NEGOTIABLE INSTRUMENT—RECITALS.—A recital in a note that the maker has deposited therewith bonds "as collateral security," and an authorization of the holder of the note to sell such bonds upon non-payment of the note, and apply the proceeds to its "payment and necessary charges," do not destroy its negotiability. [*Valley Nat. Bank of Chambersburg v. Crowell*, Penn.]

CORPORATIONS—ASSIGNMENT OF STOCK CERTIFICATE.—A valid transfer of corporate stock can only be made on the books of the corporation, and the mere assignment and delivery of stock certificates will not divest the transferrer of individual liability on the stock sold. [*Plumb v. Bank of Enterprise*, Kan.]

CORPORATIONS—ULTRA VIRES.—In an action against a corporation on a note given by defendant for property which was delivered to defendant, and used by it, defendant is estopped to set up the defense of *ultra vires*. [*Dewey v. Toledo A. A. & N. M. Ry. Co.*, Mich.]

FORGING AND UTTERING CHECKS.—On indictment for forging and uttering a certain check, evidence that at the time of defendant's arrest he had on his person checks, and about that time had passed others, all of which were forgeries, is admissible to show his knowledge that the check set out in the indictment was forged, and that his purpose in the forgery and the uttering was to defraud. [*Commonwealth v. Russell*, Mass.]

NEGOTIABLE INSTRUMENT.—In an action on a note against the maker thereof, an answer alleging that plaintiff had no actual interest in the note; that it was and had been at all times the property of the payee; that it was transferred to plaintiff without consideration, for purposes of collection only, and to prevent defendant pleading as a set-off against it certain indebtedness due him from the payee—is good. [*Deuel v. Newlin*, Ind.]

CORPORATIONS—CONTRACTS—SEAL.—A corporation, duly organized, may make a valid contract in writing without the use of a seal. [*Muscatine Water-Works Co. v. Muscatine Lumber Co.*, Iowa.]

CORPORATIONS—ILLEGAL SALE OF STOCK.—Where a corporation has practically deprived a stockholder of his stock, and the advantages accruing from its ownership, by bidding it in for itself at a sale which it pretends to make under its by-laws, and on account of the failure of the stockholder to meet and pay certain prescribed monthly dues, an action for conversion of the stock, or one in the nature of an action on the case, will lie against the corporation, although such sale was irregular and illegal, having been conducted in total disregard of the requirements of the by-laws authorizing the same. [*Allen v. American Building & Loan Ass'n*, Minn.]

CORPORATION—STOCKHOLDERS.—Stockholders in a corporation are not disqualified to vote upon a matter coming before a stockholders' meeting by the fact that they may have a personal interest in the matter, as upon a proposition to ratify a purchase of property from themselves which they as directors had assumed to make. [*Bjornsgard v. Goodhue County Bank*, Minn.]

CORPORATION—UNPAID STOCK SUBSCRIPTION.—Where a corporation has made an assignment for the benefit of creditors under the insolvent law, the court in which the insolvency proceedings are pending may make an order requiring payment of unpaid stock subscriptions, the same as the directors might have done before the insolvency proceedings. [*Marson v. Deither*, Minn.]

COUNTY TREASURER—BURGLARY OF COUNTY FUNDS.—The Legislature is not precluded, by article 14, § 3, of the State constitution, ordaining that no school tax shall be appropriated to any other purpose than that for which it was levied, nor by the provisions of the State and Federal constitutions prohibiting legislation to divest property rights or impair the obligation of contracts, from passing an act to release a county treasurer from liability for school and county funds taken by burglars, without fault on his part, from a safe furnished him by the county. [*Pearson v. State*, Ark.]

NEGOTIABLE INSTRUMENT—NOTE.—In an action against the maker on a note made to two joint payees, it is no defense that the interest of one of the payees was transferred to third parties, where such third parties before suit transferred such interest to the plaintiff, the other joint payee. [*McLeod v. Snyder*, Mo.]

NEGOTIABLE INSTRUMENT—TRANSFER AFTER PAYMENT.—Defendant, who, as payee of a non-negotiable note, already paid before maturity for valuable consideration, waived protest in writing thereon, and indorsed it over in blank to plaintiff, is liable as an indorser, unless a contrary intention be made to appear. [*First National Bank of San Diego v. Falkenhan*, Cal.]

NEGOTIABLE INSTRUMENT—USURY AS A DEFENSE.—Where the maker of a note after maturity, and in consideration of an extension of the time of payment, agrees to pay usurious interest, and the interest thus stipulated is afterwards merged into and forms a part of another note, the defense of usury cannot be made to the former, but only to the latter. [*Collier v. Soule*, Tex.]

PAYMENT—CONFEDERATE CURRENCY.—Where the personal representatives have accepted payment of purchase-money bonds due the decedent in depreciated Confederate currency, that being the only circulating medium to be had in their neighborhood, and have distributed the proceeds to their heirs, the latter, after accepting the distribution and acquiescing in the transaction for fifteen years, are concluded by laches from disputing the validity of the payment of the bonds, in the

absence of anything to show that it was not made in good faith. [*Washington v. Opie*, U. S. S. C.]

TAXATION—BANKS.—Under Act 200, Pub. Acts 1891, § 2, declaring that a real estate mortgage shall be deemed an interest in land, for the purpose of taxation, and that bank shares shall only be assessed after deducting the value of real estate taxed to the bank, mortgages held by a bank must be taxed to the bank and deducted from the value of the shares of its capital stock, notwithstanding any provision whereby the mortgageors had agreed to pay the taxes. [*Latham v. Board of Assessors of City of Detroit*, Mich.]

TAXATION—CORPORATE STOCK.—The collection of taxes assessed on the capital stock of a corporation, which are alleged to be excessive, will not be enjoined where the corporation does not offer to pay the taxes on the amount of capital stock it admits to be subject to taxation. [*Smith v. Rude Bros. Manuf'g Co.*, Ind.]

THE HISTORY OF BANKING IN LAWRENCE, MASS.

Mr. James H. Eaton, treasurer of the Essex Savings Bank, gave the following account of the banking institutions of Lawrence, not long since, in the form of a lecture to an audience in that city:

The first bank in the city was the Bay State, which commenced business in a large building on its present site while Lawrence was yet a town. The first board of directors consisted of Samuel Lawrence, Wm. G. Lambert, John Tenney, Joseph W. Carleton, Charles H. Bigelow, Caleb M. Marvell and Charles Storrow. It was a strong body of men. None of them were, at that time, acquainted with practical banking, but they had the good judgment to elect as cashier Nathaniel White, of Amesbury, who had served as cashier of the Powow Bank for many years, and who was one of the brightest, keenest bank officials in this section of the commonwealth. He was steadily and cautiously aggressive in his plan for doing business, and knew men and paper to perfection. He could and would help the weak when there was a chance of pulling through, but no amount of talk could cause him to enter a sinking ship or bolster up a firm already struck with financial death. With such men as Charles S. Storrow for president and Nathaniel White as cashier in a growing community like Lawrence, with no competition, the bank had every chance to grow, and it then laid the foundations for the strong, conservative and prosperous institution it became and still continues to be. When Nathaniel White resigned the position of cashier the Bay State Bank was in a flattering condition, and the directors attributed largely to his interest, diligence, ability and fidelity, the credit for the strength it had attained and the prosperity it had enjoyed. Hon. Geo. L. Davis, of North Andover, followed Mr. Storrow as president, and Charles A. Colby, who had filled the position of teller for many years, assumed the cashiership of the bank on the first day of May, 1865. Mr. Colby occupied the position but three years, when he went to New York City and became a partner in a large business house. He was followed by the present cashier, Samuel White, in June of 1868. George L. Davis was president for twenty-five years, until his decease a few months ago, when Joseph Shattuck was elected to that position. The bank has had three presidents and three cashiers during its 45 years' existence. The presidents have been very much alike, all of them strong, steady-going and wise financiers, commanding the confidence

and respect of the entire community. The cashiers were likewise similar in some respects. They were all cautious and inclined to enlarge the surplus, but Mr. Colby believed in his friends and sought to aid them in every proper way, while the Messrs. White considered the bank as a very dear friend, and all who contributed to its prosperity as simply friends, and all the rest of mankind as a part of the great world. Under their supervision and direction it has always prospered, and has a large and profitable business, an abundant surplus and the brightest prospects.

The Bay State had the field entirely to itself till 1854, when the Pemberton Bank was organized by the choice of Dana Sargent, Joseph Norris, Oliver Bryant, Levi Sprague, Chas. Smith, Wm. North, Geo. Hodges, Geo. D. Cabot and D. J. Swan as directors. Levi Sprague was chosen president and Samuel C. Woodward cashier. This institution had a strong backing, and by its liberal course won many friends. It sought to discount only local paper and to come as near as possible to the people. It advertised freely for those days, and obtained a very remunerative business. Its different policy never modified the course of the Bay State, and consequently there were fewer conflicting interests and much less rivalry than was at first expected. The Pemberton has had for its presidents, Levi Sprague, Wm. R. Spalding and W. S. Jewett, and for its cashiers, Samuel C. Woodward, William H. Jaquith, J. M. Coburn, J. Albion Perkins and Fred. I. Leighton. Its management has been very wise and its success very great. Its stock sold readily at \$1.75 per share less than a year ago. It has an excellent line of customers and does a very thriving business. It has always had very young men for its cashiers, which has added to its popularity, especially among its depositors. It has to-day the youngest cashier and president in the city. Although they have seen but few years, yet they are old heads and need no advice from anyone. The bank has paid two dividends since January, one amounting to \$23.50 per share. In the year 1872 the Lawrence National Bank was incorporated, and many of our most substantial business men became stockholders. Dr. A. J. French was the first president, holding the position for several years, when he resigned, and A. W. Stearns was elected to fill the place. P. G. Pillsbury was the first cashier, followed by Capt. John R. Rollins, who was succeeded by the present incumbent, H. L. Sherman. This bank, like the others, has had generally a prosperous career. It is the only one, however, which has been unfortunate in having one unfortunate cashier. Other than that, its course has been steady, its strength has increased, its popularity has widened and deepened, until it now ranks among the strongest in this part of the State. Its president, a most successful man of long and large experience in the affairs of life, and the cashier, a young man of ability and of great activity, make a strong team not easily excelled. Its stock is in great demand, because our people believe in the direction and general management of the institution.

In 1877 the Pacific National Bank was organized, and Dr. J. H. Kidder was chosen president and W. H. Jaquith cashier, which positions are occupied by them at the present time. This institution has had great success in confining its operations to this locality. Dr. Kidder does nothing until he is sure he is right, and Mr. Jaquith, with his long experience in banking, intuitively and instantaneously reaches right conclusions. This bank has a large list of depositors, a good class of borrowers, a fine location, and is ably managed.

In 1889 the Merchants' National Bank commenced business. It organized with a strong board of directors, with Hon. James R. Simpson as president and Denman Blanchard as cashier. About a year since Mr.

Blanchard went with the Equitable Mortgage Company, and J. A. Perkins, long with the Pemberton Bank, succeeds him as cashier. This institution owns its fine building, has added much to its surplus, and is doing a very large business. The distinctive features of this bank lies in its large corporation deposits and business. It furnishes more and larger pay-rolls than any bank in the city.

The following year, 1890, the last of the local National Banks came into existence. It was organized with an active board of directors. W. S. Jewett was made president and A. E. Butler cashier. The men who took hold of this enterprise meant business from the start, which was clearly shown by their creating a surplus by paying in \$125 for each share of \$100. It has done what few banks have attempted—paid regular dividends from the time of its organization. It has had three presidents in its short history—Messrs. W. S. Jewett, J. W. Higgins and Wm. S. Knox. Mr. Butler has survived all these changes and is a strong team in himself.

Lawrence has six National banks with an aggregate capital of \$1,175,000, all located on the ground floor of the same street within a half, and five of them within an eighth of a mile of each other. No city can boast of better banking facilities or accommodations. Every reasonable want is readily and cheerfully supplied at the lowest market rate.

Our banks are on the high wave of prosperity. All the stocks sell for quite their full value. The business is much divided and the institution gets it which pays, in some form, the most for it. Congress is no friend to National banks. All successful legislation is against their interests, and although they were the main support of the Government at one time during the war, yet the people cry out against them. These institutions have been heavily taxed and a source of great revenue to the towns and cities where the stock is owned. In Massachusetts the stock is assessed whatever the State rate is, on the full market value thereof.

The first savings bank started in Lawrence was the Essex, and it commenced business by opening an account with Lucretia B. Stowe, Oct. 7, 1847. Thirteen days passed before another person appeared, when John B. Davidson deposited \$30. The beginnings were small and slow. Charles S. Storow was the first president and Nathaniel White the treasurer. George D. Cabot followed Mr. Storow and Joseph Shattuck succeeded Mr. Cabot. No bank ever had three better presidents. They have worked without any remuneration, giving to the institution their best services for the good of the people. Mr. White served as treasurer till his decease in 1866. No man ever gave better thought or greater diligence to the affairs of an institution than he rendered to the Essex Savings Bank. It was his pet, and he strengthened it in every possible way. It has never had but two treasurers. The present incumbent commenced labors as clerk in 1865 and as treasurer in 1866. It required five years for the deposits to reach \$50,000, eight years to reach \$100,000, and eighteen years to amount to \$500,000. Between 1865 and 1868 the deposits increased a full \$500,000. The growth became very rapid and the outlet for money was admirable. Every dollar could be loaned at 7 per cent. and 8 per cent. All wanted to borrow. The spirit of speculation was on in full blast, and the net earnings of the bank for quite a period were eight per cent., and during some years as high as ten per cent. You could sit in your office and good borrowers would come to you and offer what was then thought to be the best of security, with liberal rates; $7\frac{1}{2}$ per cent. was cheap and 8 per cent. was fair and 10 per cent. was considered a little high.

In 1870 the Lawrence Savings Bank was organized, with Milton Bonney as president and Wm. R. Spalding as treasurer. At the

decease of Mr. Bonney, Hezekiah Plummer became president, and at the death of W. R. Spalding, W. W. Spalding, his son, was elected to the office of treasurer.

Two years later the Broadway Savings Bank was opened, with John Fallon as president and James Payne as treasurer. Thos. Scott followed Mr. Fallon and John L. Brewster became treasurer, who was followed by the present treasurer, Gilbert E. Hood. The Lawrence and Broadway Savings Banks were started while the speculative boom was on, but not long before it began to show some signs of losing its fullest strength.

The savings institutions of the State work in perfect harmony with each other. There is between them none of the rivalry that exists among the National banks. It is not enough to say that each of them is good, but each is strong, being able to meet all liabilities and to divide from 5 to 10 per cent. extra among the depositors. No business institutions in Lawrence have had a more helpful influence on the community than the savings banks. They have encouraged diligence, thrift and economy. They have enabled hundreds and even thousands to acquire homes, who, without their aid, could never have accomplished that result. Our people are better off financially, mentally and morally than they would have been without these institutions, and they are looked upon by the community at large with the favor which their excellent condition fully merits.

CENTRALIZATION OF BUSINESS.

At the annual meeting of the Canadian Bank of Commerce, the general manager, Mr. B. E. Walker, made the following remarks, concerning recent changes in business, in his address to the shareholders :

"There is also another grave reason for the dissatisfaction in some quarters with the results of business. There are too many people in business. This is getting to be an old story, but it seems necessary to draw attention to it until the remedy is applied. Small villages complain that their business is going to the larger towns, and the towns complain of the cities. Small manufacturers complain at the consolidations and so-called monopolies, which are becoming as marked a feature in Canada as elsewhere. Retail shopkeepers complain at the great establishments now common in many cities, where almost anything may be bought at a margin of profit which is ruinous to the smaller dealer. Unfortunately, some people view these changes as abnormal, and seem to be waiting for a return to former conditions. In the meantime the merchant, manufacturer, or shopkeeper who finds himself at a disadvantage tries to meet the situation by the same old method of too long and too large credits, prices which leave too slender margin for profit, and added expenses in trying to meet his better situated competitors. But these changes, which have concentrated business in larger centers and stronger hands, are but a part of the great centralization in commerce, labor, and so many things, which is one of the most prominent developments of the last decade or two. We have applied the wonderful machinery of the age to the better organization of trade, and as this goes on with remorseless strides the small centers of the world lose their importance, and distance being practically lessened, the area controlled by larger cities or larger business organizations is enormously increased. The farmer's wife does not so often ride in a wagon five or ten miles to

the nearest village to make her purchases, but with a Saturday half-ticket goes by rail twenty or thirty miles to the nearest town or city, and with less loss of time and greater ease. The merchant or manufacturer orders his merchandise from the uttermost parts of the earth, by cable if he chooses, with certainty as to the time of its arrival. The farmer raises food on the Western prairies with no thought as to who will eat it, and thus furnishes food for outlandish folks thousands of miles away, of whom he has never heard.

"This is a state of things which has brought too much ruin to individuals to warrant one in saying that it is an unmixed good, but it is a change permanent enough to demand that we should meet it with a more ready change of front than we at present offer. We talk vaguely about over-production as the source of many evils in trade, but there are many varieties of over-production. We have produced thousands of new houses in Toronto, clearly not required by the population, but it may not be these which are left vacant eventually, but the older and less attractive houses. In the same way we have a distinct over-production of shopkeepers and other men in business, and the men with the newest methods are apt to drive the others out. If business men find their trade or profits going from them, hard as it may be, they should meet such a state of affairs promptly by turning to some industry in which there is not over-production at the moment. All grumbling to the contrary notwithstanding, there is no over-production in Canadian farming at the moment, and the return from the honest industry of a farmer in Ontario or the Northwest is greater proportionately than in any of the ordinary callings of men with which I am acquainted."

CONVENTION OF THE COLORADO BANKERS' ASSOCIATION.

The bankers of the State convened in Denver on the eighth of August, at the Chamber of Commerce, and formed the Colorado State Bankers' Association.

After calling John L. McNeill, president of the Denver Clearing House Association, to the chair, President S. H. Elbert made an address of welcome.

G. E. Ross-Lewin was made temporary secretary, and Morgan H. Williams, of Leadville, E. P. Shore, of Gunnison, and Howard Evans, of Denver, were appointed a committee on credentials.

Robert Gibson, cashier of the American National Bank of Pueblo, C. L. McIntosh, cashier of the National Bank of Commerce of Denver, and B. F. Johnson, president of the Union National Bank of Greeley, were appointed a committee on constitution and by-laws.

The committee on constitution and by-laws handed in its report at the opening of the afternoon session. The temporary chairman read the report, which was in substance as follows: "The name of the association will be the Bankers' Association of Colorado. Any banker or bankers or institution for the carrying on of banking business may become members. The dues will be \$5 annually. Members may be represented by one or more officers, but an institution can have only one vote. The meetings will be held annually, announced by an executive council. It will require twenty-five members to make a meeting. The officers of the association will be a president, three vice-presidents,

secretary and treasurer. An executive council of seven members will transact the general business of the association, such as fill vacancies, make programme for annual meeting, expel officers, etc." The report was adopted unanimously. The election of permanent officers was next in order.

Mr. R. W. Woodbury was elected president by acclamation, and was escorted to the chair by Mr. Lawrence and Mr. Berger. Mr. Woodbury made a brief address to the association, as follows: "I esteem it no empty honor to have been chosen as first president of an association of 150 or more leading bankers of this great and growing State of Colorado. We are engaged in a business which underlies all other businesses, and upon which they depend. More than 90 per cent. of daily commerce settlements are made with banking paper. We feel the responsibility. Upon your integrity, wisdom and prudence depend the financial prosperity of the newsboy who deposits his savings in the savings bank, and the millionaire. Bankers should be the friends of the world, and should make in business not only money, but character. [Applause.] In forming this association, you, as bankers, expect to do a service to the State. The aim of the association is to build itself on a strong and solid foundation. When it is old, the old men will give it their unqualified approval. I thank you all most heartily for the honor you have shown me. I will serve you to the best of my ability."

At the conclusion of Mr. Woodbury's speech the other officers were elected. M. B. Thatcher, of Pueblo, was elected first vice-president; Bruce F. Johnson, of Greeley, second vice-president; W. F. Jackson, of Colorado Springs, third vice-president; John L. McNeill, of Denver, treasurer, and George E. Ross-Lewin, secretary. After the officers had been elected, papers were read on the banking business and how it should be carried on. The first paper was read by Colonel D. S. Holden, president of the Central National Bank at Pueblo. He had for his subject, "The Financial System of the State of Colorado: Its Objections and Its Necessities." He said that all taxes are uniformly levied and collected under the general laws, and the rates of taxation on property cannot exceed 4 mills on \$1 of taxable property.

There is a proposed amendment to increase the State taxation to come before the next General Assembly. Every vote for the proposed amendment is a vote to double the tax assessment. A proposition to increase State taxes is never a popular one. State Auditor Swanbeck's report of taxable property for the year 1890 was \$18,000,000. The total amount assessed was \$808,958. A sound financial system may be called the right lung, and obedience the left lung. In conclusion, he said that he could find but little to condemn in the financial system of the State.

Three elective members of the executive council were elected before the reading of the next paper. They were J. H. Peabody, of Canon City; Charles B. Kountze, of Denver; and Dr. D. H. Dougan, of Leadville.

James H. Peabody read a paper on "Combined Banking Action During Periods of Financial Stringency." He said:

"It has been said that monetary commotion is due to past transgressions. Experience only teaches. Simon J. Gage said, 'Panic is an unreasonable fear.' The banking system brings the right man and money to the front. The Clearing House system is one means of avoiding a panic. The first Clearing House was organized in New York in 1853. Abroad, the imperial banks are the agency for protection in case of a panic. Here the Clearing Houses are called upon. All banking systems condemn reckless speculation and enormous credit." In conclusion he said: "In union there is strength, to bankers as well as other organizations."

The next paper was written by the Hon. D. H. Dougan, of Leadville, and read by Mr. Lawrence, as Mr. Dougan was unable to be present. The subject was :

"The Duties which Bankers Owe to the Public." He stated that there is at all times a demand for all the money a bank cares to loan. How much shall a bank loan, is a question. Security should be ample. If any doubt existed a loan should be declined. The claims of a person having the smallest account in the bank, as well as a person having the largest, should be treated with the same consideration. Bankers should have close relations with those with whom they do business. It is better for the customer and better for the banker.

There should never be a feeling that a banker is under an obligation to a customer, or that a borrower is under an obligation to a banker. Bankers should encourage ability as well as responsibility. Bankers are no longer privileged. Their business is open to all, and is not a monopoly. The banker of to-day is not an individual formed and trained in the business. It is not apparent to most of them that they are more to the people than other corporations. A bank should always be in a position to return the amount deposited with them, and ready at all times to meet trusts it has assumed.

A. W. McIntyre, vice-president of the First National Bank at Alamosa, read a paper entitled, "Should Financial Principles and their Application be Made a Feature in the State University?" He took the affirmative and handled his subject in an interesting and instructive manner.

The last paper was read by the Hon. C. G. Buckingham, president of the National State Bank at Boulder. He had for his subject, "Should Bankers have a System of Warning Each Other of Sharps and Fraud?" He said: "If such a system could be made practicable it should receive the support of bankers. The banks come into contact and are exposed to fraud more than any other line of business.

"Competent bankers must rigidly watch over the money in the bank. The efficient operation of a system to warn bankers would greatly help them to avoid fraud. Clear and reliable reports should be given banks where fraud had been perpetrated. Banks, as a rule, desire it unknown. The simpler a plan for the protection of the banks, the better. I would suggest that a report of a fraud should be sent to the secretary of this association and he would inform the members. The bank furnishing the information should be kept secret. The watchword of this age is, not every one for himself, but the brotherhood of men."

In the evening an elaborate banquet was given to the bankers by the Denver Clearing House.



ECONOMIC NOTES.

HOW THE "CUSTOMS" AROSE.

The origin of the word "Customs" in its present application and of the beginning of the system of government levying, which it designates, has given rise to much speculation. Tolls on merchandise were collected among commercial peoples from the earliest times. Among the Eastern nations of antiquity these dues were chiefly levied at the gates, through which the trains of merchandise passed, and in some instances the right to collect these dues was sold at a fixed sum by the State to a contractor. Webster Elmes, Esq., in a recent valuable work, "The Law of the Customs," gives some interesting points bearing on this topic. He says that the customs were levied from the earliest times in Great Britain, where the dues were given in payment for the use of the king's warehouses, weights and measures, and were considered a prerogative of the throne without the consent of Parliament. Lord Coke says that the system arose in the time of Edward I., when Parliament gave its consent. Sir William Blackstone says that these dues being held to be the "customary inheritance of the King," were, according to some accounts, called "customs." Chitty adopts another derivation. During the first Edward's reign warehouses were built at the various ports for import and export purposes, and the charges were made for the custodium or guarding of the wares; whence came the term "customs." Parliament finally disputed with the throne the right to add to these duties, and this led to the enactment, during the reign of Edward III. and Richard II., of two statutes providing that no customs should be levied on wools, woolfells and leather—the three chief articles of commerce—without the concurrence of Parliament. The bill of rights embraced in the statute of William and Mary destroyed this power of the crown.—*Custom House News*.

PROSPERITY OF FRENCH FUNDS.

The three per cent. bonds of the French Republic, commonly known as *rentes*, have risen to par, and the French papers are expressing much pleasure at this evidence of the credit of the Republican form of, compared with that of some of its proud Monarchical neighbors' Governments. In 1824, the three per cent. *rente* was introduced, when it sold for 75, and soon after fell to 60, but rose in 1829 to 80. The revolution of 1830 sent it down again to 60 but the conservative Government of Louis Philippe caused it to, appreciate steadily until about 1846, when it sold at 84. The revolution of 1848 drove the price down to 50, but it struggled up to 56, and the establishment of the empire caused a bound upward to 75 in 1852 and 79 in 1853. Yet after this the empire seems to have lacked credit, for the *rente* ranged between 60 and 70 for a number of years. Just before the war with Prussia, when there was for a short time a belief that peace was assured, the price of 75 was attained, but the disaster of 1870 reduced it to 52 in October of that year. From that time on the appreciation has been upon the whole steady, but the enormous expenditure of the Government evidently caused alarm, for from 85 in 1881 it fell to 78 in 1884. It thus appears that it has risen 20 francs in less than eight years, and during the last three years alone the rise has been 15 per cent. These fluctuations constitute a miniature history of the course of political events in France, but the extraordinary rise during the last few years, we apprehend, is due mainly to causes that have affected the rate of interest the world over, although due in part to certain financial measures adopted by the French Government.

STATEMENT OF THE ST. LOUIS BANKS,

Compiled by A. G. EDWARDS & SONS,

From Official Statements of National Banks, date of July 12, 1892, and State Banks, date of May 16, 1892.

Assets

Names.	Currency and Cash.	Checks and Exchanges.	Loans and Discounts.	Bonds and Stocks.	Real Estate, Furniture and Fixtures.	Expenses.	Overdrafts.	Totals.
Nat. Bank of Commerce...	\$1,801,860 22	\$1,860,746 36	\$7,494,312 24	\$970,646 22	\$532,523 87	.....	\$741 40	\$12,570,830 31
Roanoke's Bank.....	985,868 91	644,994 46	7,080,591 36	251,138 42	502,800 52	.....	50,005 18	9,521,398 85
Continental Nat. Bank....	1,073,992 36	997,032 30	4,930,255 85	538,805 26	50,000 00	.....	2,879 66	7,592,995 43
Fourth National Bank....	827,861 21	834,146 78	3,293,954 30	1,027,410 00	.....	.....	6,487 32	6,088,765 48
State Bank of St. Louis...	1,146,994 15	520,024 83	3,555,468 67	316,597 73	59,449 07	\$19,805 87	30,006 36	5,628,540 81
St. Louis National Bank...	979,560 08	606,589 59	3,535,949 16	60,000 00	211,000 00	.....	11,896 21	5,599,068 73
Mechanics' Bank.....	782,879 25	753,961 11	3,402,861 50	5,089 00	.....	13,073 78	21,847 12	4,966,637 98
German Sav. Institution...	457,181 74	684,579 92	2,050,236 13	608,000 00	33,873 74	.....	9,127 59	4,442,999 52
Third National Bank.....	594,591 63	776,043 18	2,649,267 45	115,812 50	190,000 00	.....	8,222 83	4,333,937 59
Laclede National Bank....	394,334 75	342,215 93	3,069,366 22	71,500 00	48,391 81	6,456 79	99 88	3,932,325 38
Merchants' Nat. Bank....	478,701 87	392,082 22	2,804,581 63	60,000 00	.....	6,275 86	1,082 61	3,743,624 19
Commercial Bank.....	1,021,865 93	320,562 52	2,342,641 45	8,067 10	.....	.....	8,429 35	3,791,569 35
Franklin Bank.....	229,090 50	266,568 37	2,233,389 01	794,400 00	110,000 00	.....	3,304 52	3,636,752 40
German-American Bank...	383,897 50	442,607 07	2,331,004 73	359,400 00	39,000 00	.....	3,193 59	3,559,102 89
Lafayette Bank.....	223,328 62	394,711 36	1,816,229 96	370,500 00	.....	.....	9,054 23	2,718,423 57
American Exchange Bank...	163,196 69	371,298 31	1,772,868 90	4,000 00	1,526 04	.....	2,318 32	2,315,148 26
Nat. Bank of Republic...	215,664 84	285,003 04	1,386,899 95	63,890 00	17,500 00	.....	1,124 04	1,970,041 87
Northwestern Sav. Bank...	83,489 20	344,341 13	1,104,469 01	311,363 20	.....	.....	4,723 47	1,848,386 10
Chemical National Bank...	294,714 25	180,747 24	1,022,283 63	58,500 00	16,464 54	1,992 79	569 65	1,745,802 10
Mullanphy Sav. Bank.....	71,697 30	50,973 00	988,240 32	192,410 40	38,346 74	.....	8,087 58	1,349,761 34
Bremen Bank.....	66,052 85	182,851 30	767,715 55	252,027 56	19,000 00	.....	7,056 10	1,294,703 30
International Bank.....	155,578 55	63,632 31	732,786 28	68,795 17	60,763 77	.....	550 25	1,082,160 33
Citizens' Savings Bank...	173,485 05	50,346 90	690,977 61	7,955 92	5,647 57	.....	1,188 00	929,601 05
South Side Bank.....	38,259 15	114,720 30	464,595 90	63,447 83	4,230 57	.....	1,102 37	686,335 33
S. Commercial Sav. Bank...	4,232 82	7,927 36	184,925 14	6,092 35	5,698 56	.....	1,292 77	208,169 00
Totals	\$12,648,408 82	\$11,488,715 80	\$62,384,330 95	\$6,585,808 75	\$1,937,217 01	\$47,605 09	\$195,890 80	\$95,287,977 22

Liabilities.

<i>Names.</i>	<i>Capital.</i>	<i>Surplus and Undivided Profits.</i>	<i>Circulation.</i>	<i>Individual Deposits.</i>	<i>Bank Deposits.</i>	<i>Time Deposits.</i>	<i>Totals.</i>
National Bank of Commerce.....	\$3,000,000 00	\$744,011 42	\$1,000 00	\$5,072,903 87	\$2,570,049 73	\$1,182,865 29	\$12,570,830 31
Boatmen's Bank.....	2,000,000 00	492,662 27	.....	4,488,866 69	389,082 26	2,150,787 63	9,521,398 85
Continental National Bank.....	2,000,000 00	137,446 53	45,000 00	2,362,638 81	2,624,848 99	423,031 10	7,592,965 43
Fourth National Bank.....	1,000,000 00	736,919 32	45,000 00	2,206,899 55	1,701,672 62	318,273 99	6,038,765 48
State Bank of St. Louis.....	650,000 00	1,194,532 60	.....	3,037,136 21	408,024 61	338,847 39	5,628,540 81
St. Louis National Bank.....	1,000,000 00	132,418 27	45,000 00	1,670,900 75	2,373,798 54	286,951 17	5,599,068 73
Mechanics' Bank.....	600,000 00	601,512 93	.....	2,610,865 76	633,635 31	520,624 01	4,966,637 98
German Savings Institution.....	250,000 00	499,300 91	.....	2,071,080 51	1,340,322 35	1,562,776 15	4,442,999 52
Third National Bank.....	1,000,000 00	397,455 55	45,000 00	1,641,159 69	59,841 95	.....	4,333,937 59
Laclede National Bank.....	1,000,000 00	176,950 23	44,200 00	1,101,206 58	1,494,757 52	115,101 05	3,932,305 38
Merchants' National Bank.....	700,000 00	201,470 60	45,000 00	1,468,866 47	779,896 92	548,350 20	3,743,624 39
Commercial Bank.....	200,000 00	652,927 21	.....	2,378,191 53	483,532 26	6,918 35	3,701,599 35
Franklin Bank.....	200,000 00	440,446 05	.....	1,566,452 96	268,657 17	1,161,106 22	3,650,102 89
German-American Bank.....	150,000 00	536,271 76	.....	1,992,431 52	154,810 57	716,589 04	3,550,752 40
Lafayette Bank.....	100,000 00	230,958 65	.....	1,204,295 27	6,040 56	1,177,129 09	2,718,423 57
American Exchange Bank.....	500,000 00	343,564 61	.....	1,281,303 01	119,549 25	70,731 39	2,315,148 26
National Bank of the Republic.....	500,000 00	76,938 18	45,000 00	664,585 55	585,996 71	163,521 43	1,970,041 87
Northwestern Savings Bank.....	100,000 00	76,938 17	.....	726,035 04	.....	945,412 89	1,848,386 10
Chemical National Bank.....	500,000 00	24,840 60	45,000 00	789,387 87	252,987 65	1,335,860 52	1,745,862 10
Mullanphy Savings Bank.....	100,000 00	153,698 67	.....	462,577 44	728 94	632,756 29	1,349,761 34
Bremen Bank.....	100,000 00	96,000 00	.....	497,267 10	.....	601,436 26	1,204,703 36
International Bank.....	200,000 00	69,779 00	.....	578,082 71	5,406 52	228,748 10	1,082,106 33
Citizens' Savings Bank.....	200,000 00	62,494 08	.....	552,250 50	10,700 14	154,156 33	920,601 05
South Side Bank.....	300,000 00	10,950 60	.....	257,380 51	16,495 21	101,568 92	666,335 33
S. Commercial Savings Bank.....	100,000 00	6,727 78	.....	101,441 22	.....	.....	268,169 00
Totals	\$16,450,000 00	\$7,947,221 51	\$360,200 00	\$40,758,297 12	\$16,280,925 78	\$13,491,332 81	\$95,287,977 22

BOOK NOTICES.

The First International Railway and the Colonization of New England. Life and writings of JOHN ALFRED POOR, edited by LAURA ELIZABETH POOR. G. P. Putnam's Sons, New York and London, 1892.

The lives of men are always interesting who are inspired with some idea which takes full possession of them. Mr. Poor was a man of this type. The idea which possessed him was the building of an international railway from Halifax to Portland, and thence westward by the way of Montreal to the Pacific. This was many years ago when railroad building was very difficult by reason of the general lack of appreciation of their value, the scarcity of capital, and the small number of men having either the faith or the ability to engage in such enterprises. An incident is related of Mr. Poor, indicating his interest in the new mode of transportation, and his strong, zealous nature. In April, 1834, the first railway in New England was completed, extending from Boston to Newton, and afterward to Worcester. A large number of persons were present in Boston to witness the opening scene, among whom was Mr. Poor. He was then only twenty-six years old, and had come from Bangor for this purpose. Many years afterward he thus described the impression produced by the event. "Placed," he says, "upon the track, its driver, who came with it from England, stepped upon the platform with almost the airs of a juggler or a professor of chemistry, placed his hand upon the lever, and with a slight move of it, the engine started with a speed worthy of the companion of the 'Rocket,' amid the shouts and cheers of the multitude. It gave me such a shock that my hair seemed to start from the roots rather than to stand on end; and as I reflected in after years, the locomotive engine grew into a greatness in mind that left all other created things far behind it as marvels and wonders." This kindled in him an enthusiasm on the subject of locomotive railways which continued to the end of life. He returned to Maine to meditate and reflect on what he had seen with his own eyes, little dreaming of the fame he was to achieve for himself in railway enterprises within the next forty years.

Another idea, hardly less fruitful, was the construction of railroads which should develop the country through which they were built. Previously, railroads had been constructed solely on the theory of accommodating existing business, and not to prepare the way for business itself. Into what luxuriance this idea has blossomed the thousands of miles of railway that stretch over the prairies of the West are the perpetual proof. Happily, he lived to see the completion of his great idea—the construction of a railway from the Atlantic to the Pacific. The work before us contains a good account of his unwearying labors to achieve this result, while it also reveals a man hardly less interested in all worthy enterprises going on around him. Such a man is always one of the most valued members of the community in which he lives, a real inspirer to others. Happily, New England has produced many. Perhaps the niggardliness of nature has stimulated her sons to develop their powers more fully than they would have done had they lived on a more genial soil.

Negotiable Instruments. A treatise on the law of Negotiable Instruments, including bills of exchange; promissory notes; negotiable bonds and coupons; checks; bank notes; certificates of deposit; certificates of stock; bills of credit; credit, and circular notes. By JOHN W. DANIEL, of the Lynchburg (Va.) Bar. In two volumes. Vol. 1. Fourth edition. New York: Baker, Voorhis & Co., Publishers. 1891.

Of this work little need be said, because it is one of the best known legal treatises in the United States. While these in general are not regarded with much favor by the courts, though of more use to the practitioner in exploring the labyrinths and mazes of law than ever, Mr. Daniel's work is constantly cited by the judges and with increased confidence. One of its great merits is its clearness, so that whoever goes to this source of information rarely fails to discover a definite rule as the reward for his search. Too many of the works now-a-days are mere digests, containing a *résumé* of the decisions of the courts, without much endeavor to extract rules therefrom. We suspect that one reason for this mode of writing is that the writers in many cases do not feel competent to deduce a rule from the conflicting decisions. The contrariety of judicial opinion is conclusive proof that some of the judges are wrong; and since this is so writers, if seeking to give light to the legal fraternity, and to the courts in the future, should study the decisions with greater care and seek to discover the best rules. Judge Daniel has evidently studied the law of negotiable instruments profoundly, and his criticisms and opinions find increasing favor with the courts. If we were to criticise, this would be the index. The worth of a work of this kind depends largely on the fullness of the index. Again and again has the practicing lawyer failed to find a ready answer to a question, though assured that it was in the book he was searching, and often finding it there accidentally afterwards. His failure to find the answer was occasioned by the meagerness of the index. While the index of this work is quite full, it might be made far more complete, and by so doing the value of the work would be enhanced. It must be pleasing indeed for the author to know that by the constant use of his work by courts and lawyers, he has rendered one of the greatest services of any law writer of this period.

Proffatt on Notaries. A treatise on the law relating to the Office and Duties of Notaries Public throughout the United States, with forms of affidavits, acknowledgments, conveyances, depositions, protests and legal instruments. By JOHN PROFFATT, LL. B., author of *Curiosities and Law of Wills*, a treatise on Trial by Jury, etc. Second edition by JOHN F. TYLER and JOHN J. STEPHENS of the San Francisco Bar. San Francisco: Bancroft-Whitney Company, Law Publishers and Law Booksellers. 1892.

This is the only work containing the laws of all the States, we believe, that has been published. Since the first edition questions concerning notaries, their duties and the admissibility of their acts in evidence have increased in importance throughout the Union. In preparing this edition the authors have done their work faithfully, citing the latest statutes and cases bearing

on the various subjects included in the work. So, too, in the forms which have been given for the use of notaries, they are both trustworthy and practical. The work is truly invaluable to notaries and commissioners of deeds, as well as to the general practitioner.

Who Pays Your Taxes? A consideration of the question of taxation, by DAVID A. WELLS, GEORGE H. ANDREWS, THOMAS G. SHERMAN, JULIEN T. DAVIES, JOSEPH DANA MILLER, BOLTON HALL and others. Edited by BOLTON HALL, and issued by authority of the New York Tax Reform Association. G. P. Putnam's Sons, New York and London, 1892.

This volume is drawn from many sources but possesses a unity of purpose. The author has definite ideas concerning local taxation, which are well enforced either through his own contributions or selections from others. Some principles of Mr. George's are stated which are worth repeating.

Taxation should bear as lightly as possible on production, so as least to check the increase of the general fund from which taxes must be paid and the community maintained.

It should be easily and cheaply collected, and fall as directly as may be upon the ultimate payers, so as to take from the people as little as possible in addition to what it yields the Government.

It should be certain, so as to give the least opportunity for tyranny or corruption on the part of officials, and the least temptation to lawbreaking and evasion on the part of the taxpayers.

It should bear equally, so as to give no citizen an advantage, or put any at a disadvantage, as compared with others.

Mr. George's deductions from these, however, do not receive the cordial assent which is given to the principles. On the other hand, his single tax rule, as is well known, has met with great opposition. Mr. Hall, the editor of his compilation, remarks: "The changes proposed which seem to meet with the most general favor from conservative intellects are a graduated income tax, a tax upon inheritances or upon collateral inheritances, and a tax on land and on franchises. They should be carefully considered." The editor then proceeds to consider, with great clearness, the objections to the sources of taxation, and remarks in the following manner:

"As the experience of California, Colorado, Massachusetts, and other States shows, (1.) To tax personal property in any form fully or fairly is utterly impracticable. The attempt results in an increase of nothing but perjury and legal artifice. (2.) If it could be done, it would be disadvantageous, and it is now advocated by hardly any respectable authority. Even the attempt has recently been to all intents abandoned in some States. The tendency of enlightened lawmaking is to fix taxes mainly on real estate, and this better conforms to the canons. The quantity of real estate is substantially fixed, and its use indispensable; so that assessments on it cannot lessen its amount or impair the extent to which it is used. It cannot be carried away or concealed. It is open to the sight of all; and though its valuation is not entirely free from difficulty yet, since it is immovable from year to year, it can be more accurately appraised and more easily compared than any other property."

This book is replete with ideas which are worthy of careful study by all who are trying to improve the various systems of local taxation.

Beach's Tables. Tables of Interest and Discount, containing two sets of tables for interest at 3, $3\frac{1}{2}$, 4, $4\frac{1}{2}$, 5, 6, 7, 8, 9 and 10 per cent. One set computed for days, 365 to the year, the other for months and days, 30 days a month, 360 to the year. Computed and compiled by O. M. BEACH, Actuary and Accountant. New York: Samuel Hall. 1892.

These tables were first published in 1880. They have been purchased by many of the largest banks, bankers, moneyed institutions, commercial and manufacturing corporations and firms in the United States and Canada, and are highly esteemed. The present edition is an enlargement of the first, and contains tables for interest at 3, $3\frac{1}{4}$, 8, 9 and 10 per cent., and also for compound interest and discount, annuities, sinking funds, etc. It also contains two sets of tables for interest at 3, $3\frac{1}{2}$, 4, $4\frac{1}{4}$, 5, 6, 7, 8, 9 and 10 per cent. The first have 365 tables for each rate (being one for each day in the year). The second have 360 tables arranged for 12 calendar months and days less than a month. Other valuable tables relating to true discount, compound interest, equation of payments and interest on foreign money are also given. The plan of the tables and the best method of operating them is fully explained, and it is claimed that interest can be accurately calculated by them more rapidly than by any other tables, rules or methods now in existence.

The Free Trade Struggle in England. By M. M. TRUMBULL. Second edition. Revised and enlarged. Chicago: The Open Court Publishing Company. 1892.

This is the second edition, the first having been published ten years ago. Since that time the free trade controversy has been very active in all the leading nations of the world. One of the most noteworthy changes is the revulsion of opinion in England on the subject during that period. The book shows a familiar acquaintance with the subject and can be read with profit by all who are engaged in a study of this unending controversy.

Sterling exchange has ranged during August at from $4.87\frac{1}{2}$ @ $4.88\frac{1}{4}$ for bankers' sight, and $4.86\frac{1}{4}$ @ $4.87\frac{1}{4}$ for 60 days. Paris—Francs, $5.16\frac{1}{4}$ @ 5.15 for sight, and $5.18\frac{1}{2}$ @ $5.16\frac{1}{2}$ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, $4.86\frac{1}{4}$ @ 4.87 ; bankers' sterling, sight, 4.88 @ $4.88\frac{1}{4}$; cable transfers, $4.88\frac{1}{4}$ @ $4.88\frac{1}{2}$. Paris—Bankers', 60 days, $5.18\frac{1}{2}$ @ $5.17\frac{1}{2}$; sight, $5.16\frac{1}{4}$ @ $5.15\frac{3}{4}$. Antwerp—Commercial, 60 days, $5.19\frac{3}{4}$ @ $5.18\frac{1}{4}$. Reichmarks (4)—bankers', 60 days, $95\frac{1}{2}$ @ $95\frac{1}{4}$; sight, $95\frac{1}{2}$ @ $95\frac{1}{2}$. Guilders—bankers', 60 days, $40\ 1-16$ @ $40\frac{1}{2}$; sight, $40\frac{1}{4}$ @ $40\ 5-16$.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

KY. Catlettsburg. Big Sandy Nat. B'k.	N. Y. ... Margaretville. People's Bank.
ME. Rockport. Camden Savings B'k.	" .. Riverhead. Riverhead Sav. B'k.
MD. Cambridge. Nat. B'k Cambridge.	PA. Lock Haven. Lock Haven Trust &
MASS. N. Brookfield. North Brookfield	Safe Deposit Co.
Sav. B'k.	" .. Philadelphia. Third Nat. Bank.
NEB. Elmwood. American Exch. B'k.	R. I. Newport. Aquidneck Nat. B'k.
N. H. Manchester. N. Hamp. Trust Co.	TEXAS. Dublin. First Nat. Bank.
N. J. Bayonne. Mechanics Trust Co.	" .. Velasco. Velasco Nat. Bank.
N. Y. Amityville. Bank of Amityville.	" .. Wichita Falls. Panhandle Nat. B'k

Other banks which have made minor improvements, put in new vaults, etc., are the following :

CONN. New London. New London City	NEB. Grand Island. Grand Island Bank-
Nat. Bank.	ing Co.
FLA. Jacksonville. State B'k of Florida.	N. Y. ... Schenectady. Mohawk Nat. B'k.
MASS. Athol. Athol Nat. Bank.	PA. Lebanon. Farmers Bank.
" .. Springfield. Chapin Nat. Bank.	" .. Philadelphia. Fidelity Ins., Trust
" .. Taunton. Bristol Co. Nat. B'k.	& Safe Dep. Co.
" .. " .. Machinists Nat. B'k.	" .. West Chester. N. B'k Chester Co.

THE exact cost of carrying the big gold shipment across the continent last month is not known at the Treasury Department, but Assistant Treasurer Whelpley says that it will probably not be more than \$3,500 altogether. It was hauled by the railroads under their regular mail contracts, and came through as registered mail. The Assistant Treasurer at San Francisco had 500 boxes made especially for the shipment, at a cost of \$1,000. Then there were the personal expenses of the fifty-one men who went out to San Francisco and guarded the treasure on the way East. These were the principal expenditures. The laborers at the Mint at San Francisco were pressed into the service to pack and load the money. The regular employes of the railway mail service guarded it. The arms which the guards carried were taken from the arsenal, and the mail wagons of the Post-office Department were used to carry the boxes to and from the cars. The lowest bid the Treasury Department could obtain from an Express company for hauling the money was \$3 per \$1,000, or \$60,000. This, of course, would have included the risk of loss in transit by accident or theft. The Wells-Fargo Company, which controls all the territory west of the Missouri, made this rate.

BANK EXCHANGE COLLECTIONS.—The San Angelo banks of Texas have adopted a unique way of securing exchange on all drafts, etc. For some time the local merchants, instead of buying exchange in making remittances to northern points, have been forwarding their individual checks, thereby avoiding the payment of exchange, which the wholesale merchants deposited at their par value and returned here to be credited, thus depriving the banks of their exchange. In view of this fact, at a recent meeting held by the West Texas Bankers' Association the following resolution was adopted: "All members of this association will charge exchange on all checks, drafts and other collections received by them, whether from regular correspondents or otherwise, either for credit or returns, and make the following charges for same on all items: under \$60 15 cents, above \$60 one-fourth of 1 per cent. Provided, that members of this association may clear items for each other at par when such items are received by actual home depositors." In order to prevent paying the exchange on these private checks the northern bankers are sending these items through the express companies for collection. The San Angelo banks, not to be outdone, are

promptly paying the checks when presented in silver, on which the express charges are several times more than the exchange would cost. It is needless to say that this is tried but once.

EASTERN STATES.

CONNECTICUT.—A. M. Craig, of Southington, Conn., has a curiosity in the shape of a bank-note, on one side of which is a promise to pay \$10 and on the reverse \$20. The history of this oddity is told by the owner as follows: In 1863 among the notes made by the Government for the Second National Bank of Springfield, Mass., there was an error in one sheet of bills, three of the notes being marked with the \$10 stamp on one side and the \$20 on the other. These were signed by the bank officials, and first paid out to the Springfield corporation, and were used in paying the fire department. From the fire ladders they found their way into the regular channels of trade, says the *Philadelphia Press*. As soon as the error was discovered an attempt was made to recall them, but only two were returned to the officials. The third went into a collection of curiosities, and was finally purchased by the present owner. Mr. Craig has had several offers of over \$100 for the bill, and on one occasion refused a cool \$200 in cash for it.

MASSACHUSETTS.—The Savings Bank Commissioners are making a careful examination of all of the general laws of Massachusetts relative to banks and banking. This work is in accordance with instructions of the last Legislature, and the commission will report what changes they would recommend so as to adapt the laws to the wants of the people. They will also report a bill to the next Legislature to enable National banks doing business in the State to reorganize as State banks.

HAVERILL, MASS.—The new building of the Safe Deposit and Trust Co. is one of the very substantial business structures in the city, being built of brick, with granite and brownstone trimmings. It is four stories high, the three upper stories being divided into offices and halls, with a banquet room in the fourth story. The entrance to the Safe Deposit and Banking department, on the first floor, is through a vestibule, also leading to the upper stories of the building. The floor of the vestibule and bank corridor is variegated, and is composed of small fragment marble blocks, laid in cement, entirely unlike any other finish found in the city, and was placed by the Murdock Mosaic Tile and Parlor Grate Company, of Boston. The space accorded to the public is about seven feet wide, separated from the various offices by an irregular line of elegant partition of yellow bird, constructed in panels and highly polished. This is surmounted by an oxidized metallic grating, and in all is about seven feet in height. The desks and tables are also of the same material, and the walls are finished in Canadian ash. The officers respectively in line, are those of the treasurer, teller, signature officials, and that of bookkeeper. Immediately following is the entrance to the safe-deposit vault, to which is a massive iron door protected from the incursions of burglars by locks and bolts of the latest design. It has also a floor of iron and steel, the two outside parts being of wrought iron and the inner one of hardened steel. Here are 297 deposit boxes of various sizes for rental from \$5 to \$50 per annum, to such as may be fortunate enough to lay up "treasures on earth," being ready to take the chances of corruption by "moth and rust," if reasonably assured that thieves cannot "break through and steal." There is opportunity to add still more deposit boxes if needed. Separated from this apartment by an iron grating is the safe of the banking company. On the left of the corridor, opposite the vault, are two private coupon rooms for the patrons of the safe and bank, where they can lock themselves in to cut off coupons and count their money. In rear of all is the directors' room and the private room of the president, both of which are handsomely finished and furnished. The officers of this institution are Chas. E. Wiggin, president; Wm. H. Johnson, treasurer; Mellen A. Pingree, secretary; Boyd B. Jones, solicitor. The executive committee consists of President Wiggin, John A. Gale, Woodbury Noyes, Martin Taylor, Thos. S. Ruddock, Chas. W. Morse and Oliver Taylor.

BOSTON.—The *Boston Record* says, "It is an odd fact that the new Maverick Bank indictments do not contain a single charge that was in the old ones."

MANCHESTER, N. H.—The most handsome and expensively furnished banking

rooms in Manchester are those of the National Bank of the Commonwealth. The floor is made of imported tiles of light and dark shades laid in tasty designs. There is provided a writing shelf, umbrella rack, chairs, toilet room, etc., for the convenience of the public. Solid mahogany is the wood made use of from end to end and side to side of the magnificently furnished and equipped place. The walls are of Lincrusta-Walton in bronze and light gold shades combined in patterns of rare beauty. Oxidized silver is the material of the artificial light fixtures of a combination form for both gas and electricity, the wickets at the cashiers' and tellers' windows and the lattice work separating the public from the bank divisions. The floor of the business room is carpeted with linoleum, that of the officers' division at the front with Wilton of a shade corresponding to the prevailing colors, and the directors' room is likewise provided for. The ceiling is tinted a delicate cream color. A large, solid, substantial vault is placed in the rear portion of the business room. This is made thoroughly fireproof and is provided with a burglar-proof steel chest. Back of this, separated from other parts of the bank by glass and wood partitions, and shut off by silk sash curtains, is a large directors' room. The furniture for this is of the Bank of England style, consisting of large chairs and a table of solid mahogany large enough for the accommodation of the entire board of officers. The officers and employees of the bank are named below: President, Hon. J. C. Moore; vice president, Frank Dowst; cashier, Charles F. Morrill; teller, George K. Willand; clerks, Dennis Teehan and T. R. Burns.

JERSEY CITY.—The affairs of the Union Bank of Jersey City, which failed seventeen years ago, have just been settled. The depositors were paid in full with interest.

NEW YORK CITY.—The Fourth National Bank, in consequence of the interest which the general public is taking in the silver question, has prepared in a very concise form facts and figures concerning the precious metals, that are likely to be of use or of interest to a banker. The collection contains a record of the amount of gold and silver produced in the world since 1492, in the United States since 1850, a digest of the Coinage Acts since 1792, the total coinage of the United States mints since 1792, lists of all the coins of the United States, with mint test for gold and silver, net yearly imports and exports of the precious metals since 1863, amount of gold and silver in circulation in the United States, amount of gold and silver in the United States Treasury, amount of Government paper currency in circulation, with the amount of gold and silver reserve to secure same, weight and fineness of English and American coins and standard bullion, fineness of gold expressed in carats, value of gold 500 to 1,000 fine, table of values of silver ounce and dollar based on price in London, yearly price of silver in London from 1833 to 1891, and the commercial ratio of silver to gold since 1850. The information has been collated with great care, and will doubtless prove very useful to many in their every-day discussion of this subject.

LINCOLN NATIONAL BANK—The Lincoln National Bank of New York has published an elegant brochure describing its history, and illustrating by means of ten beautiful photo-gravures the different departments. This is one of the banks in which the directors take an active interest in the management of the institution. One or more of them are at the office daily, and examine with the patience of a professional accountant everything done during the previous day. Although nearly all of them are actively engaged in mercantile or professional life, they consider this to be their duty as bank officials, beside advising, and, when necessary, criticising the policy of the officers of the bank. Indeed, it truly is an institution to which others, who have less system and method, may wisely go for instruction.

KINGSTON, N. Y.—Nicholas E. Brodhead, treasurer of Ulster County, who died recently, was also treasurer of the Ulster County Savings Institution, lately wrecked, and now doing business under order of the courts. It was through his efforts that the crookedness of Ostrander and Trumbour, the bank wreckers, was first discovered.

GLENS FALLS, N. Y.—The Glens Falls National Bank, which was first organized in 1851 as a State bank, has paid 484 dividends, aggregating \$542,080, and now has a remaining surplus of \$150,000. On January 6, 1870, its safe was burglarized of \$30,000 in currency, besides several hundred thousand in non-negotiable bonds,

etc. It has had but two presidents—Hon. J. W. Finch succeeding the late Hon. Benjamin P. Burhans on his death in 1875.

WASHINGTON, PA.—The Citizens' National Bank was chartered August 24th, 1885, and began business on September 15th, 1885, in the old building which formerly occupied the site of the present fine structure. Its success and prosperity from the first were phenomenal, and its stock is now held at \$250 per share, a premium of \$150, with none for sale. Its surplus fund now amounts to \$95,000, in addition to accumulating which, it has uniformly declared an annual dividend of six per cent. on the entire capital stock. The present building, the finest in Western Pennsylvania, is of fire-proof material. The front is of granite, the floor of tile resting on iron girders and covered with mosaic. The roof is of tile and glass. The walls are wainscoted with encaustic tile to a height of eight feet, and handsomely frescoed above. The banking room is twenty-four feet high and thoroughly lighted. The counters are solid mahogany in special designs, with onyx slabs at the receiving and paying tellers' windows; the remainder of the finish is in red brick, stained. The rooms also include directors' room, lavatories, janitor's and watchman's room, safe-deposit vault, etc., the whole being heated by one of Bartlett's brick-set furnaces, which is automatically regulated by a thermostat. One of the features of the front is the grill-work, furnished by Taylor & Dean, of Pittsburgh. The general contractors on the building were Walker & Slater, of this city. The sub-contractors were: granite, Mr. Johnson, Wheeling, W. Va.; wainscoting and frescoing, Senor A. Sborigi, of Pittsburgh; counters and furniture, Sanger, Rockwell & Co., of Milwaukee; plumbing, Citizens Water Company of Washington; vault, safe and safe-deposit boxes, Corliss Safe Company, Providence, R. I.; architect, F. J. Osterling, Pittsburgh. The total cost of the building is about \$25 000. The following are the officers: John W. Donnan, president; Thomas McKennan, vice-president; N. R. Baker, cashier. Directors: John W. Donnan, J. F. Taylor, Dr. Thomas McKennan, A. G. Happer, James Kuntz, Jr., M. C. Acheson, R. V. Johnson, Jonathan Allison, A. S. Eagleson, Alvin Donnan, Edward McDonald.

PHILADELPHIA.—There has been considerable talk and correspondence for some time past among bankers as to the desirability of organizing a State banking association as a preliminary to the organization of a National association of bankers. There is now in existence the American Banking Association, which will hold its annual convention in September, but what is desired is a body that will be more representative and influential. A leading banker outlined to-day what he thought such an association should be. Let each bank have a representative in a State association which shall look after the local interests of the bankers, and then have each State organization send delegates to a National association. Such a body, representing such vast capital and such immense interests, would have a great influence, and to be elected a delegate would be an honor that any banker would be glad to attain. No formal steps have as yet been taken to the accomplishment of this idea, but it is receiving consideration from several bankers in this and other cities, and it is so practical and natural a thing to be done, there is reason for believing that it will be carried out. There are associations in several States, and recently the presidents of Savings banks effected an organization in this State, but what is proposed here is an association representing National, State and Savings banks.

PHILADELPHIA.—It is now more than a year since the receivers of the defunct Keystone and Spring Garden Banks were appointed, and it will be yet another year before the work of settling the accounts with the creditors, depositors and the United States Government is completed. Robert C. Yardley was appointed receiver of the Keystone in April, 1891, and General B. F. Fisher, receiver of the Spring Garden in the month following. Since they assumed their respective positions these gentlemen have received as compensation for their labors \$10 per day for all working days, which excepts Sundays and legal holidays. This makes their salaries in round figures about \$3,100 per year each, and this they will continue to receive until the bank's affairs are wound up.

WESTERN STATES.

PINE BLUFF, ARK.—A bank check under a glass cover, and surrounded by a gilt frame, is on exhibition at the Merchants and Planters' Bank of this city, that is

drawn for the smallest sum, probably, any bank check was ever drawn for. On its artistically autographed face, next to the vignette of Secretary of War Stanton, is written its value—"one cent." It was drawn yesterday by H. S. Taber, captain of the United States Engineers at Little Rock, on the First National Bank of that city, and was forwarded to D. B. Rigglin, of this city, to balance accounts.

CHICAGO.—A big deal has been made in the stock of the Union National Bank, involving a transfer of 5,000 shares, representing \$1,000,000 of capital stock. The seller is Columbus R. Cummings, the former president of the bank, who immediately preceded the present incumbent, J. J. P. Odell. The purchase has been made by a syndicate composed of C. L. Hutchinson, John J. Mitchell, David Kelley, S. E. Barrett, Lyman J. Gage, J. J. P. Odell, Hempstead Washburne, W. T. Baker, and others, some of whom are customers of the bank. The change will involve the retirement of Mr. Cummings from the directory and the election of another stockholder to take his place, but whether this step will be taken now or left over to the annual meeting in January has not been decided. The main point about the change is that Mr. Cummings' retirement from the directory will give scope for the energies of a more active man. Although holding a controlling interest in the concern, the ex-president has for years taken little active part in its management. Now that fresh blood is to be introduced it may be expected that such a selection will be made as will keep the bank in touch with the best and most progressive of similar financial institutions in the country. Those best informed think there will be no change whatever in the presidency, the present head of the institution, J. J. P. Odell, being a man of well-known ability in all the details of banking. Moreover, the deal has been consummated chiefly through the instrumentality of Mr. Odell, who is one of the biggest of the purchasers. The Union National is one of the most prominent of Chicago's banking establishments, its career dating back from an early day, when banking in Chicago had not reached the higher plane of scientific financing it now occupies. It was organized in 1864, and reorganized December 29, 1884, under the act providing for the resuscitation of the old National banks after the expiration of their 20-year limit. It was one of the first banks in the country to adopt the National system. December 29, 1884, the capital stock was \$1,600,000. This was increased to \$2,000,000 the following year. The bank started on its reorganized career under the presidency of C. R. Cummings, and enjoyed more than an average share of prosperity. Three years ago Mr. Cummings retired from the position of president, and J. J. P. Odell, the present capable chairman, who had practically been the controlling spirit for some time, was appointed to the position of honor. When the bank started, its quarters were on the southwest corner of LaSalle and Lake streets. With the growth of the city and its own inherent expansion it had to change its location. It now occupies the first floor of the Home Insurance Building, corner of LaSalle and Adams streets. The present officers of the bank are: John J. P. Odell, president; David Kelley, vice president; August Blum, cashier; W. O. Hipwell, assistant cashier. The directors are: C. R. Cummings (retired), J. H. Barker, H. N. May, David Kelley, O. C. Barber, S. K. Martin, S. B. Barker, D. B. Dewey, J. J. P. Odell. The presidents of the bank since its inauguration have been: William F. Coolbaugh, Calvin T. Wheeler, W. C. D. Grannis, C. R. Cummings, and J. J. P. Odell—all able men in the world of finance. Mr. Odell has been in the banking business twenty-six years, and knows financial matters thoroughly. The amount of deposits in the bank at present is \$9,750,000, and the total resources reach to something like \$12,000,000.

CHICAGO.—The First National Bank is to have a west side branch. It stands on two lots that have been owned by the bank for years and will cover an area 100 by 95 feet. When it is completed not a window will break the solid walls, and the only opening will be well guarded by burglar-proof iron doors, for the west side branch of the First National Bank is to be a storehouse for its old books. The bank receives daily from 2,500 to 3,500 letters, its 215 clerks make from 20,000 to 30,000 entries in the big books every banking day, and it has been doing business since 1863. Everything is kept. An unbroken record of the bank is preserved by the vouchers, papers and books since the first day's business, and the accumulation of back numbers has reached the point where action was needed to take care of the old accounts. A large share of space in the National safety vaults below the bank is used for storing the books, and the other day the safety vaults said to the bank,

"You'll either get out of here or get fired out," and the bank took the polite hint. Every inch of space under the sidewalks, which gives a storing capacity 11 feet wide and 11 feet high, is crammed full, so it was decided to erect a storage house. Some time next month the old books will be carried across the river and laid in their lonely tomb on the west side. They will be piled up systematically on the shelves, the iron doors will clang, and there they will rest, only to be disturbed when other ancient tomes are carried in, or when some long-ago depositor wishes to hunt up a credit given during the war. In that brick building, the dead house of a great bank, there will be buried silent historians of a great city. The copper-plate chirography spread over the pages entombed in the lightless structure will tell the story of the rise and fall of mammoth enterprises, the advancement of a Western metropolis, and the growth of one of the greatest banking institutions of the world—all quietly resting in the west side branch of the First National Bank of Chicago.

CHICAGO.—The First National Bank of Chicago proposes to be the largest institution of its kind in the country, if, indeed, it is not already so. It now has a capital stock of \$3,000,000 and surplus of \$3,100,000, with deposits of \$30,000,000. It will double its capital.

CHICAGO.—An official of the Comptroller of the Currency's office says that the business results incident to the World's Fair are already being shown by the marked activity in banking at Chicago. An application was made for authority to organize a new bank in that city with \$1,000,000 capital. Another application to establish a \$250,000 bank will be made public in a few days. "It is remarkable," said the official, "how the assets of these banks increase. Only a few years ago the Third National Bank of Chicago collapsed, but since that time the creditors have received 100 cents on the dollar, and the old assets of the bank have now increased until there is a surplus of \$1,500,000, with which a new National bank will probably be founded. The old Park National has also paid 100 cents on the dollar since it failed, and now has a surplus of about \$250,000, which will probably be the nucleus for still another new bank. Such a showing as this seldom occurs outside of Chicago, and it is due to the remarkable increase in value of real estate held by the banks."

DES MOINES, IOWA.—For some time past the State Auditor has been annoyed by attempts at evasion of the State banking law, incorporators of banks establishing branches in the same or other towns on the same capital stock. The matter was referred to the Attorney-General, who decided that such practice is contrary to the letter and spirit of the State law and can be stopped.

KANSAS.—M. D. Kenyon, Superintendent of Banks, has prepared a statement showing the number and condition of the National and State banks in Minnesota at the close of business on July 12, 1892. There were 187 banks—117 State banks and 70 National banks—and the total resources were \$109,057,179.47. This was an increase since May 17, 1892, of twelve banks—eleven State and one National bank—and an increase in resources of \$4,858,467.37. Of the increase in resources since May 17 the State banks had gained \$3,755,978.30, while the National banks had gained \$1,402,289.07.

DETROIT, MICH.—The Peninsular Savings Bank has moved into its new quarters. This bank was founded five years ago, and has already secured an enviable standing, having won the confidence and esteem of the public. It has a cash capital at present of \$500,000, with the stockholders' liability of a similar amount. As the surplus and undivided profits are \$100,000, the guarantee fund for depositors is \$1,100,000. The entire first floor is occupied by the bank. The vestibule is paved with fine American encaustic tile. In the front of the building is the cashier's office, communicating with the employees' inclosure as well as the public space, the wrought-iron railing at once attracting attention for its ornamental qualities. The safe vaults are recognized as being among the best in the country the latest improved time-locks being employed, which are attached to the inner surface of the door of the inner chest. The safes are manufactured by the Detroit Safe Company, and are said to be the strongest and most secure ever constructed by that company. The inside measurement is as follows: 11 feet long, 6 feet 6 inches wide and 7 feet high. The vault lining, covering the sides of the vault, is 5½ inches in thickness, the vault itself being erected on a foundation furnished by the

bank. The four sides of the walls are built of railroad rails, lying horizontally one upon another and interlocked at the corners. They rise to a height to admit another set of steel rails running the length of the vault. These rails forming the bottom are secured to rails forming the sides by three-fourths inch steel dowels. The top of the vault is also constructed of rails. This admirable rail structure is lined with a three-eighths inch drill-proof plate and a one-half inch Bessemer steel plate. The burglar-proof vault door is warranted drill-proof. The vestibule has a covering of rails like the vault, and there is the same arrangement of drill-proof steel plate and Bessemer steel plate. The outer door is hung on crane hinges and furnished with a powerful pressure bar. The doors shut in steps, tongues and grooves, the last being packed with felt, to insure air-tight joints. A "Montana" molding is placed around the door frame. The bolt-work on the outer door is strong and heavy, and is controlled by two Sargent's combination locks, arranged so that the opening of one will release the bolts. The bolt-works and locks are covered by heavy plate glass in nickel-plated frames, hinged to the bolt-work and secured with key locks. The inner doors have massive bolt work, controlled by the same kind of a lock. These doors bear also a Sargent's double chronometer lock, which controls the bolt-work of the outer and inner doors, thus placing the time-lock beyond the possibility of interference by concussion. An elegant day door is erected at the entrance of the vault, to prevent anyone not authorized from entering when the main doors are open. This door is very ornamental in appearance. There is also a fire-proof vault door to furnish entrance to the book vault in the bank office, while over the burglar-proof vault door is constructed a fire-proof vault door opening into a reserve vault built above the other vaults. Besides, there are seventeen "C" doors for seventeen vaults which are built above. In addition to these ponderous vaults there are two burglar-proof safes, with time-locks placed within the large vaults, these safes to be used for gold and currency. Three other safes are provided for bullion and silver. The interior furnishings of the vaults are admirable. The book vault contains two cabinets running the entire length. Below are forty-eight safe-deposit cupboards, and underneath these are twelve large safe-deposit cupboards. The trimmings on all the work are of brass and finished antique copper, except the front rollers of book shelves, which are nickel-plated. The projecting ledges of the cupboards and the top of the vault table are covered with Brussels carpet. The furniture and fixtures of the bank were manufactured from special designs. The woodwork is quartered oak with fine natural finish. The metal-work and hardware, except the interior of the cage screens, are oxidized nickel finish, and the counters, desks, etc., are extremely handsome and artistic. The passenger elevator is of the most modern construction, operated by hydraulic power obtained by the compression tank system, while the car is of metal. The officers of the bank are: Alexander Chapoton, Jr., president; John M. Dwyer, first vice-president; Joseph Perrien, second vice-president; Joseph B. Moore, cashier; Michael Brennan, attorney, and J. H. Johnson, assistant cashier. The directors are: Alexander Chapoton, Jr., Gilbert W. Lee, Albert H. Webb, James Dwyer, Joseph Perrien, Thomas Barlum, Siegmund Simon, Joseph B. Moore, Simon C. Karrer, Waldo M. Johnson, Michael Brennan, Herman Becker, F. Howard, John M. Dwyer, W. P. Ratigan, George Hanley, S. W. Clarkson, Ann Arbor; E. O. Grosvenor, Jonesville.

ST. PAUL. — Following a petition filed in the district court, Judge Kelly has made an order, returnable, to the assignee and creditors of the Commercial Bank, to show cause why the assignee should not be discharged, his account approved and the funds in his hands turned over to the bank. As a result of the efforts made to put the bank on its feet once more a number of the creditors have agreed to take new stock to the amount of \$250,000, and others have agreed to take certificates to the amount of \$380,000. The assignee has reduced the indebtedness from \$949,514.50 to \$460,514.92; he has in his hands \$170,000 cash, and the petition states that there are other assets to the value of \$300,000. This would give the bank \$1,220,000, with a remaining liability of \$630,000. If the petition is granted the new stock will be paid in at once, and the bank will have a capital stock of \$400,000. About 70 per cent. of the old stock will be paid in to W. H. Lightner as stock trustee, and the money for the new stock will be paid in to E. H. Bailey as trustee.

LINCOLN, NEB.—Every city in the land that has a great banking system has good cause to feel proud of that very desirable acquisition, and certainly there is no town or city in America of its size that is better fixed, so to speak, than our own dear Lincoln. The facilities for either securing good loans at short notice on approved security or depositing loose change in secure repositories nowhere excel our conveniences. Lincoln with its seven National banks and four prosperous savings banks is a mighty peer and great shining advertisement for an enterprising city so young as the capital of Nebraska. Six years ago Lincoln was given her first savings institution, the Nebraska Savings Bank. Conservative management and judicious business tact of its officers has brought it from a small but well-paying bank to one of unusual proportions and prominence, until to-day it stands as one of the most prominent savings institutions in the city, with a capital of \$250,000. It has just added to its list of stockholders some of our most prominent financial citizens, among them being S. H. Burnham, Lewis Gregory, J. H. Huddleson, John Taylor, A. J. Sawyer, H. H. Shaberg and others. At a meeting of the stockholders the other day the following excellent board of officers was elected who assumed their respective duties: President, J. G. Southwick; vice-president, Jas. Kilburn; cashier, E. R. Tingley; each of whom are well known favorites at this bank and have a large following of friends and patrons. Mr. Tingley, who has presided at the teller's window for the past three years, will make a most efficient cashier, and no better selection could have been made for the position. He is always courteous and polite and is the right man in the right place.—*Capital City Courier*.

SOUTHERN STATES.

KENTUCKY.—The second annual convention of the Kentucky State Bankers' Association will be held in Lexington on October 4. Mr. Thomas L. Barret, of the Bank of Kentucky, is the association's president, Major Clinton McClarty is secretary, and Mr. E. Palmer, of Paducah, is treasurer.

MARYLAND.—It is stated that the Maryland Bankers' Association will be organized shortly. The object is to get all of the bankers into the association and secure uniformity of usages and customs. The association is to be composed of the incorporated banks in the State, including savings banks; each bank is to be represented by its president, cashier or some member of the board of directors. Among the points on which National uniformity is desired are the mechanical execution of checks, questions of days of grace on sight drafts, the collection of country checks, etc.

BALTIMORE, MD.—The new building of the American National Bank has been opened. The building was designed by the late Charles L. Carson, and his plans completed and carried out by Architect J. E. Sperry. It is semi-classical in style and very compactly put together. The materials used in its construction are granite, Pompeian brick and Burns & Russell's buff bricks. The trimmings are of the last named material, which, together with Indiana limestone and terra cotta, make a handsome yet not too broad contrast with the darker Pompeian brick. The cornice is an elaborate affair of terra cotta, and the exterior window trim and the string molding which divides the upper and the lower stories are of the same material. There is a neat balcony at the height of the second story. From this it is proposed to make public addresses during political campaigns. The floor of the vestibule is covered with tinted tiling, and the steps therefrom to the main floor are of Tennessee marble. Around the room runs a low wainscoting of splendid glazed encaustic tiling, covered with Pompeian designs in bold relief. From the top of the wainscoting to the concave frieze the walls are covered with white glazed and figured tiles, all of which are from Low's celebrated manufactory. The counter is of quartered oak, egg-shell finish, with a screen of chip glass and a wrought-iron grille. The directors' room in the rear is also beautifully finished in quartered oak. The third floor is occupied almost entirely by a large hall suitable for rental for church purposes, weddings, banquets, balls, meetings and entertainments. In the rear of the hall is a butler's pantry, to which viands prepared in the cook room, immediately under the roof, may be lowered by means of an elevator. The dimensions of the building, which is lighted throughout with both electric light and gas, are 27x96 feet, and its cost was about \$50,000. The American National Bank,

which was organized on February 11, 1891, with a capital stock of \$200,000, is in a thriving condition. The president is Joshua Horner, and Simon P. Schott is the cashier, and the directors are John Bauernschmidt, James Bond, Daniel L. Brinton, George A. Hartman, M. D.; Alexander Harvey, Joshua Horner, Fred. P. Stieff, Fred. Walpert, Lewis E. Wilcox and Daniel Rider.

PACIFIC STATES.

SAN FRANCISCO.—The Zenio & Fisher *Real Estate Journal* thus describes the offices of the Crocker-Woolworth National Bank in the Crocker Building, which is nearing completion: "The corridor extending through from Market to Post streets is simply a marvel of costly polished marble, and with neatly cut panels and gracefully curved ceiling presents a scene of wonder and beauty unequaled by anything on the Coast. The broad marble steps which spring from this floor and branch as they ascend are imposing in structure, and are a wonder of fine workmanship and material. The bank is simply gorgeous and fairy-like in its gilded ceiling of ornamental stucco and carved cornices. The whole appearance is novel and imposing."

FOREIGN.

CANADA.—The Toronto *World* says that Canadian bankers and merchants are becoming alarmed at the financial situation in the United States, growing out of the circulation of 65-cent dollars. Banks are beginning to refuse deposits of United States silver dollars, and stipulations are made for long-term payments in gold for policies of insurance and the like. Of course, the taboo of silver extends to silver certificates, and occasions some embarrassment in the transaction of business.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Aug. 1.	Aug. 8.	Aug. 15.	Aug. 22.	Aug. 29.
Discounts.....	4½ @ 5½	4½ @ 5½	4½ @ 6	4½ @ 6	5½ @ 6
Call Loans.....	2 @ 1	2 @ 1	2 @ 1½	2 @ 1½	2½ @ 2
Treas. balances, coin.....	\$84,005,327	\$82,630,383	\$100,763,981	\$99,382,940	\$97,762,710
Do. do currency.....	21,708,228	23,465,299	24,155,933	20,285,292	20,606,211

The reports of the New York Clearing-house returns compare as follows:

No.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Aug. 6.	\$488,777,100	\$90,635,900	\$60,278,100	\$528,462,300	\$5,398,500	\$18,798,425
" 13.	483,771,700	87,773,300	59,309,000	525,231,400	5,409,300	15,774,450
" 20.	492,054,300	86,094,300	57,387,600	524,412,100	5,466,400	12,378,875
" 27.	490,667,700	81,769,300	57,388,900	517,051,300	5,334,000	9,877,875

The Boston bank statement is as follows:

No.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
July 30.	\$170,252,000	\$11,109,000	\$5,631,000	\$152,075,000	\$4,725,000
Aug. 6.	170,224,000	10,479,000	5,585,000	150,101,000	4,695,000
" 13.	168,643,700	10,394,900	5,638,800	147,296,600	4,733,500
" 20.	166,219,000	10,284,000	6,089,000	146,417,000	4,899,000
" 27.	165,983,000	10,304,000	6,495,000	144,981,000	4,909,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

No.	Loans.	Reserves.	Deposits.	Circulation.
Aug. 6.	\$107,215,000	\$39,617,000	\$110,246,000	\$3,535,000
" 13.	108,207,000	38,566,000	119,203,000	3,536,000
" 20.	109,078,000	38,294,000	119,490,000	3,536,000
" 27.	109,441,000	38,251,000	119,675,000	3,532,000

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from August No., page 156.)

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
ALA....	First National Bank, Anniston.	W. G. Scott, <i>Ass't.</i>	A. D. Smith.
ARIZ....	International Bank, Nogales...	W. K. James, <i>Cas.</i>	J. E. Stone.
ARK....	Bank of Jonesborough,	W. T. Lane, <i>P.</i>	C. Brookfield.
	Jonesborough.	G. W. Culberhouse, <i>V. P.</i>	W. T. Lane.
CAL....	Nat. B'k of Cal., Los Angeles...	W. L. Graves, <i>2d V. P.</i>	
	Riverside National Bank,	S. C. Evans, <i>V. P.</i>	
	Riverside.	P. T. Evans, <i>Ass't.</i>	
	First Nat. B'k, Santa Barbara.	Ellwood Cooper, <i>V. P.</i>	Hugh D. Vail.
	First Nat. Bank, Stockton	Jas. H. Hough, <i>Cas.</i>	S. W. Newell.
CONN....	Naugatuck Savings Bank,	J. H. Whittemore, <i>Tr.</i>	Arthur H. Dayton.
	Naugatuck.		
DAK. N.	First National Bank,	H. F. Salyards, <i>P.</i>	E. Ashley Mears.
	Minot.	S. L. Page, <i>Cas.</i>	H. F. Salyards.
	First Nat. Bank, Park River...	Wm. F. Honey, <i>V. P.</i>	Franklin Edgerton
DAK. S.	Security Bank, Mitchell....	R. N. Kratz, <i>P.</i>	M. H. Rowley.
GA.....	Barnesville Savings Bank,	R. O. Cotter, <i>P.</i>	F. M. Farley.
	Barnesville.	J. F. Taylor, <i>V. P.</i>	R. O. Cotter.
IDAHO..	First National Bank,	J. C. Fox, <i>V. P.</i>	M. B. Loy.
	Hailey.	F. H. Parsons, <i>Cas.</i>	C. J. Selwyn.
	First National Bank, Wallace.	Henry White, <i>V. P.</i>	
ILL....	Old Second Nat. Bk, Aurora...	F. B. Watson, <i>Cas.</i>	J. A. Egleston.
	Ft. Dearborn Nat. B'k, Chicago.	L. A. Goddard, <i>Cas.</i>	Peter Dudley.
	Hibernian Bkg. Ass'n, Chicago.	J. V. Clarke, Jr., <i>P.</i>	J. V. Clarke.*
	DeKalb Nat. Bank, DeKalb....	John H. Lewis, <i>P.</i>	H. D. Wyman.
	Jacksonville National Bank,	T. B. Orear, <i>Cas.</i>	B. F. Beesley.
	Jacksonville.	E. Fitzsimmons, <i>Ass't.</i>	
	First Nat. Bank, Kirkwood...	C. D. Watson, <i>Ass't.</i>	
	First Nat. B'k, Mount Carmel.	Wm. Seitz, Jr., <i>P.</i>	L. A. Goddard.
	Nokomis Nat. Bank, Nokomis	George Sippell, <i>2d V. P.</i>	
IND....	Clay Co. Bank, Clay City....	W. D. Black, <i>P.</i>	J. M. Starbuck.
	Citizens Bank,	Zimri Diggins, <i>P.</i>	W. S. Hudleston.
	Knox.	Wm. Rieger, <i>Cas.</i>	F. P. Whitson.
	Lebanon Nat. Bank, Lebanon.	E. T. Lane, <i>Cas.</i>	S. S. Daily.*
	Ridgeville Bank,	M. T. Sumption, <i>P.</i>	Thomas Ward.*
	Ridgeville.	Nall Sumption, <i>Cas.</i>	M. T. Sumption.
IOWA..	Citizens Nat. B'k, Belle Plaine.	J. J. Mosnat, <i>V. P.</i>	
	Mills Co. Nat. B'k, Glenwood.	F. M. Buffington, <i>Ass't.</i>	
	Hubbard State Bank,	J. K. Milner, <i>P.</i>	J. H. Bales.
	Hubbard.	D. E. Byam, <i>Cas.</i>	J. K. Milner.
	First National Bank,	C. Sloanaker, <i>P.</i>	
	Newton.	E. E. Lyday, <i>Cas.</i>	C. Sloanaker.
	Iowa State Bank, Osceola.....	Enoch Sayre, <i>P.</i>	
KAN....	First Nat. Bank, Burlingame...	L. P. Davis, <i>Cas.</i>	
	First Nat. Bank, Garden City.	S. S. Perry, <i>Ass't.</i>	S. B. Barnes.
	Interstate National Bank,	Wm. C. Henrici, <i>Cas.</i>	
	Kansas City.	C. N. Prouty, <i>Ass't.</i>	Wm. C. Henrici.
	Farmers Bank, Morrill.....	W. S. Willard, <i>Cas.</i>	S. W. Moore.
	Ness Co. Bank, Ness City....	J. F. McKinney, <i>Cas.</i>	E. C. Merrill.
	Pittsburg Savings Bank,	M. C. Kelley, <i>P.</i>	E. F. Porter.
	Pittsburg.	N. D. Sanders, <i>Cas.</i>	S. B. Barnes.
KY....	Merchants Banking Co.,	H. F. Mustain, <i>P.</i>	T. H. Mustain.*
	Horse Cave.		
	Coal & Iron Bank,	E. F. Powers, <i>P.</i>	W. E. Scarrett.
	Middlesborough.		
	Bank of Pikeville.....	James Sowards, <i>Cas.</i>	H. Williamson.
	First Nat. Bank, Princeton.	Ed. Garrett, <i>Cas.</i>	R. H. Gayle.
ME....	First National Bank, Augusta.	Oscar Holway, <i>P.</i>	D. A. Corry.*
	Oakland Nat. Bank, Gardiner.	Nathaniel C. Barstow, <i>Cas.</i>	S. Bowman.
MASS..	Traders Nat. Bank, Boston...	H. J. Jaquith, <i>V. P.</i>	J. W. Work.
	Union Savings B'k, Fall River.	Jerome C. Borden, <i>P.</i>	Andrew J. Borden*
	Melrose Nat. Bank, Melrose....	Seth E. Benson, <i>V. P.</i>	

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MICH...	First National Bank, Buchanan.	{ Chas. F. Howe, <i>V. P.</i>	J. Harvey Roe.
"	First National Bank, Ironwood.	{ E. W. Sanders, <i>Cas.</i>	John F. Reynolds.
"	First National Bank, Ironwood.	{ E. D. Nelson, <i>P.</i>	S. S. Curry.
"	First National Bank, Ironwood.	{ F. G. Bigelow, <i>V. P.</i>	E. D. Nelson.
MISS....	Merchants & Farmers Bank, Kosciusko.	{ John M. Fletcher, <i>Cas.</i>	Wm. A. Elliott.
MO....	Glasgow Savings Bank, Glasgow.	{ Geo. B. Harrison, <i>Cas.</i>	Thos. E. Birch.*
"	Farmers Bank, Mount Vernon.	{ Geo. B. Harrison, Jr., <i>Ass't</i>	
"	Thornton B'king Co., Nevada.	{ Geo. A. McCause, <i>Cas.</i>	Jos. B. Lindsey.
"	Thornton B'king Co., Nevada.	{ John H. Pinnell, <i>Cas.</i>	
"	New Madrid Banking Co., New Madrid.	{ T. H. Digges, <i>P.</i>	Wm. H. Pinnell.
"	New Madrid Banking Co., New Madrid.	{ Wm. H. Garand, <i>Cas.</i>	T. H. Digges.
"	Commercial Bank, St. Joseph.	{ James Hull, <i>Cas.</i>	John T. Johnson.
"	Commercial Bank, St. Joseph.	{ C. C. King, <i>Ass't</i>	
NEB....	Farmers State B'k, Central City.	{ T. B. Hoed, <i>P.</i>	T. Bryant.
"	Osceola Bank, Osceola.	{ O. E. Mickey, <i>Cas.</i>	B. F. Buffington.
"	Farmers National Bank, Pawnee City.	{ Chas. E. Casey, <i>P.</i>	S. A. Hartwell.
"	Farmers National Bank, Pawnee City.	{ A. B. Edee, <i>Cas.</i>	Chas. E. Casey.
"	Nebraska Nat. Bank, York.	{ L. M. Street, <i>P.</i>	T. B. Clawson.
"	Bank of Yutan.	{ H. C. Peters, <i>Cas.</i>	A. B. Detweiler.
N. J....	Mechanics Trust Co., Bayonne.	{ Chas. S. Noe, <i>Sec. & Tr.</i>	J. A. Lodwick.
"	Mechanics Trust Co., Bayonne.	{ Geo. L. Thompson, <i>P.</i>	
N. Y....	Ballston Spa National Bank, Ballston Spa.	{ James L. Scott, <i>V. P.</i>	L. Moore.*
"	Ballston Spa National Bank, Ballston Spa.	{ Thos. Kerley, <i>Cas.</i>	Geo. L. Thompson
"	Columbia Nat. Bank, Buffalo.	{ Clifford Hubbell, <i>Ass't</i>	
"	Catskill Savings B'k, Catskill.	{ M. B. Mattice, <i>P.</i>	Joseph Hallcock.*
"	Genesee Valley Nat. B'k, Genesee.	{ James W. Wadsworth, <i>P.</i>	Jas. S. Orton.*
"	Genesee Valley Nat. B'k, Genesee.	{ Henry Bacon, <i>P.</i>	Wm. T. Russell.
"	Goshen National Bank, Goshen.	{ B. F. Edsall, <i>V. P.</i>	
"	Goshen National Bank, Goshen.	{ Chas. G. Elliott, <i>Cas.</i>	Wm. M. Murray.
"	Cataract Bank, Niagara Falls.	{ Peter A. Porter, <i>P.</i>	F. Spalding.
"	Cataract Bank, Niagara Falls.	{ DeLancey Rankine, <i>Cas.</i>	Henry Durk.
"	Cataract Bank, Niagara Falls.	{ Geo. G. Shepard, <i>Ass't</i>	
N. C....	Bank of Lexington.	{ Jno. D. Grimes, <i>P.</i>	H. T. Phillips.
OHIO....	German Am. Savings B'k Co., Cleveland.	{ J. M. Jones, <i>F.</i>	Wm. Meyer.
"	Mutual Loan Ass'n, Conneaut.	{ G. M. Brown, <i>P.</i>	T. S. Winship.*
PA....	Monongahela Nat. Bank, Brownsville.	{ Jas. L. Bowman, <i>V. P.</i>	N. B. Rowman.
"	Farmers Bank, Lebanon.	{ H. P. Moyer, <i>Cas.</i>	
"	First Nat. Bank, Minersville.	{ Harry F. Potter, <i>Cas.</i>	Robert F. Potter.
"	First Nat. Bank, Pittsburgh.	{ B. S. Crumpton, <i>Ass't</i>	
"	Mer. & Mech. Bank, Scranton.	{ James J. Williams, <i>P.</i>	Edward Jones.*
TENN...	Manufacturers National Bank, Harriman.	{ S. P. Sparks, <i>P.</i>	J. D. Wolstenholme
"	Manufacturers National Bank, Harriman.	{ J. D. Wolstenholme, <i>V. P.</i>	R. J. Cuddihy.
TEXAS...	Ballinger Nat. B'k, Ballinger.	{ LeRoy W. Reed, <i>Ass't</i>	
"	First National Bank, Denison.	{ Wm. G. Meginnis, <i>Cas.</i>	H. M. Spalding.
"	Galveston National Bank, Galveston.	{ A. P. Henderson, <i>Ass't</i>	
"	Galveston National Bank, Galveston.	{ T. J. Groce, <i>P.</i>	R. S. Willis.*
"	Farmers National Bank, Hillsboro.	{ L. R. Bergeron, <i>Cas.</i>	T. J. Groce.
"	Farmers National Bank, Hillsboro.	{ E. B. Stroud, <i>P.</i>	Ed. Rogers.
"	First National Bank, Yoakum.	{ G. R. Bennett, <i>V. P.</i>	E. B. Stroud.
VT....	Lamoille Co. National Bank, Hyde Park.	{ Ed. B. Carruth, <i>Cas.</i>	Jim Blanks.
"	Lamoille Co. National Bank, Hyde Park.	{ C. S. Page, <i>P.</i>	
"	Lamoille Co. National Bank, Hyde Park.	{ H. M. McFarland, <i>V. P.</i>	
W. VA.	Citizens Nat. B'k, Charleston.	{ J. H. Huling, <i>V. P.</i>	W. A. McCorkle.
"	Jefferson Savings Bank, Shepherdstown.	{ W. N. Lemen, <i>P.</i>	D. Billmyer.
WASH...	First Nat. Bank, Everett.	{ Wm. G. Swallow, <i>V. P.</i>	
"	Hoquiam Nat. B'k, Hoquiam.	{ W. H. France, <i>Ass't</i>	
"	Nat. B'k of Commerce, Tacoma.	{ J. W. Wallace, <i>Cas.</i>	A. F. McClaine.
"	Tacoma Nat. Bank, Tacoma.	{ I. M. Heilig, <i>Ass't</i>	
WIS....	Kellogg Banking Co., DePere.	{ H. H. Camp, <i>P.</i>	
"	Oconto Nat. Bank, Oconto.	{ Wm. H. Young, <i>V. P.</i>	T. B. Goodrich.*
"	Bank of Commerce, West Superior.	{ Edw'd T. Buxton, <i>P.</i>	Chas. L. Catlin.
"	Bank of Commerce, West Superior.	{ Chas. L. Catlin, <i>V. P.</i>	
WYO...	First Nat. Bank, Sundance.	{ E. T. Pettigrew, <i>Ass't</i>	G. F. Stebbins.
ONT....	Traders Bank of Canada, Ridgetown.	{ Jno. Pool, <i>Mgr.</i>	J. A. Mackellar.

* Deceased.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from August No., page 154.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ARK....	DeWitt.....	Farmers & Traders Bank..	
	\$10,000	James A. Gibson, <i>P.</i>	Chas. K. Leslie, <i>Cas.</i>
		James W. Porter, <i>V. P.</i>	Jno. T. Gibson, <i>Ass't.</i>
	.. Little Rock.....	Coffin & Ragland.....	
CAL....	Los Angeles....	Columbia Savings Bank....	
	\$50,000	T. D. Stenson, <i>P.</i>	Andrew P. West, <i>Cas.</i>
		T. W. Brotherton, <i>V. P.</i>	
	.. Oroville	Bank of Oroville.....	Laidlaw & Co.
	\$50,000	John M. Ward, <i>P.</i>	Chas. Henry Schiveley, <i>Cas.</i>
		Frank W. Benjamin, <i>V. P.</i>	
	.. Riverside	Riverside Sav. & Loan Ass'n	
	\$50,000	Sam'l C. Evans, <i>P.</i>	P. F. Evans, <i>Cas.</i>
			F. E. Abbott, <i>Sec.</i>
GA.....	Dublin.....	Dublin Banking Co.....	
	\$25,000	Jos. H. Williams, <i>P.</i>	Hanover National Bank.
		R. C. Henry, <i>V. P.</i>	James M. Finn, <i>Cas.</i>
IDAHO..	Grangeville....	Bank of Camas Prairie....	
	\$50,000	F. W. Kettenbach, <i>P.</i>	National Park Bank.
		A. Freidenrich, <i>V. P.</i>	W. W. Brown, <i>Cas.</i>
	.. Kendrick.....	First National Bank	
	\$50,000	Frank N. Gilbert, <i>P.</i>	
ILL.....	Chicago.....	Bankers National Bank....	
	\$1,000,000	E. S. Lacey, <i>P.</i>	Chas. Dorrance, <i>Cas.</i>
		D. B. Dewey, <i>V. P.</i>	John C. Craft, <i>Ass't.</i>
	.. Holcomb.....	Exchange Bank.....	
			Chas. Eyster, <i>Cas.</i>
			W. C. Sheadle, <i>Ass't.</i>
	.. Palatine	Peoples Bank.....	
			Albert S. Spaulding, <i>Cas.</i>
IND.....	Mulberry	Farmers National Bank....	
	\$50,000	Henry C. Harris, <i>P.</i>	James M. Tims, <i>Cas.</i>
	.. New Palestine..	New Palestine Bank.....	
	\$20,000	Geo. B. Cooper, <i>P.</i>	Luther L. Ergenbright, <i>Cas.</i>
		E. T. Pritchard, <i>V. P.</i>	C. E. Pritchard, <i>Ass't.</i>
	.. Shelbyville.....	Farmers National Bank. .	
	\$100,000	James S. Jeffers, <i>P.</i>	Samuel P. McCrea, <i>Cas.</i>
		William E. Teal, <i>V. P.</i>	
	.. Waynetown....	Waynetown Bank.....	
	\$25,000	William Rider, <i>P.</i>	Chase National Bank.
		B. T. Merrell, <i>V. P.</i>	William Rider, <i>Cas.</i>
			B. T. Merrell, <i>Ass't.</i>
	.. Windfall.....	Peoples Bank.....	
	\$40,000	J. H. Zehner, <i>P.</i>	A. F. Swoveland, <i>Cas.</i>
		B. F. Legg, <i>V. P.</i>	E. L. Kraft, <i>Ass't.</i>
IA.....	Cascade	Farmers & Merchants B'k.	
	\$27,000	Dickson Beatty, <i>P.</i>	James W. Beatty, <i>Cas.</i>
		John Taylor, <i>V. P.</i>	
	.. Denison	First National Bank.....	
	\$100,000	W. A. McHenry, <i>P.</i>	Gilman, Son & Co.
			Sears McHenry, <i>Cas.</i>
	.. Elkader.....	Elkader State Bank.....	
	\$50,000	Henry H. Hagensick, <i>P.</i>	Henry G. McGaharen, <i>Cas.</i>
		D. D. Murphy, <i>V. P.</i>	
	.. Marathon.....	First National Bank.....	
		J. P. Farmer, <i>P.</i>	Chase National Bank.
		W. W. Wells, <i>V. P.</i>	S. T. Goltry, <i>Cas.</i>
			C. E. Larson, <i>Ass't.</i>
	.. Waukon.....	Citizens State Bank.....	
	\$100,000	A. Deremore, <i>P.</i>	W. E. Beddow, <i>Cas.</i>
		W. L. Duffin, <i>V. P.</i>	J. E. Duffy, <i>Ass't.</i>
KAN....	Burlingame....	Burlingame Bank.....	
	\$10,000	Henry D. Shepard, <i>P.</i>	Hanover National Bank.
		H. D. Kent, <i>V. P.</i>	John P. Slaughter, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondents.</i>
KAN....	Hutchinson	Citizens Bank..... \$12,806 James Dukelow, <i>P.</i> T. F. Leidigh, <i>V. P.</i>	National Park Bank. James B. Mackay, <i>Cas.</i>
"	Paxico	State Bank..... \$10,000 James D. Goldsby, <i>P.</i> W. S. Bolton, <i>V. P.</i>	Jas. E. Combs, <i>Cas.</i>
MICH...	Kinde	The Thumb Bank..... (James H. Hall.)	United States National Bank.
MINN...	Hills	Rock Co. Banking Co.....	United States National Bank. Joseph R. Wright, <i>Cas.</i>
"	Jasper	State Bank of Jasper..... \$25,000 Edward W. Davies, <i>P.</i> O. P. Miller, <i>V. P.</i>	United States National Bank. James H. Taylor, <i>Cas.</i>
"	Minnesota Lake	Bank of Minnesota Lake.. \$25,000 J. H. Joice, <i>P.</i> O. F. Southwick, <i>V. P.</i>	American Exch. Nat'l Bank. Myron Godding, <i>Cas.</i>
"	Waseca	Citizens Bank..... \$25,000 Alpha D. Cadwell, <i>P.</i>	Chase National Bank. F. N. Hunt, <i>Cas.</i> Chester H. Cadwell, <i>Ass't.</i>
MO....	Knox City	Home Bank..... \$5,000 Wm. H. Anderson, <i>P.</i> Robert White, <i>V. P.</i>	National Park Bank. Alex. B. Anderson, <i>Cas.</i>
"	Verona	Farmers Bank..... \$10,000 Allen Miller, <i>P.</i> Wm. F. Miller, <i>V. P.</i>	National Bank Commerce. J. N. Fly, <i>Cas.</i>
NEB....	Millard	German Bank..... \$15,000 John T. Dunning, <i>P.</i> John Peters, <i>V. P.</i>	A. R. Detweiler, <i>Cas.</i>
"	Monroe	Bank of Monroe..... \$6,000 Joseph Webster, <i>P.</i>	Chase National Bank. William Webster, <i>Cas.</i>
"	Pender	First National Bank..... \$50,000 H. N. Moore, <i>P.</i>	American Exch. Nat'l Bank. E. A. Wiltse, <i>Cas.</i> James J. Lynch, <i>Ass't.</i>
"	Pleasanton	Pleasanton State Bank....	Kountze Bros. F. L. Grammer, <i>Cas.</i>
"	Winside	Merchants State Bank..... \$25,000 Arthur T. Chapin, <i>P.</i> W. H. McClusky, <i>V. P.</i>	I. O. Woolston, <i>Cas.</i> W. H. Swan, <i>Ass't.</i>
N. Y....	Auburn	Edwin R. Fay & Sons.....	National Park Bank.
"	Little Valley	Crissey & Crissey	Hanover National Bank.
OHIO...	West Liberty	Farmers Banking Co..... \$15,000 H. A. Hill, <i>P.</i> Geo. F. Bailey, <i>V. P.</i>	Chase National Bank. A. J. Surface, <i>Cas.</i>
OKL. T.	Chandler	Farmers & Merchants Bank \$10,000 S. D. Meyer, <i>P.</i>	Marshall P. Wright, <i>Cas.</i>
TENN..	Lewisburgh	Bank of Lewisburgh..... \$40,000 Robert L. Adams, <i>P.</i> James E. McRady, <i>V. P.</i>	United States National Bank. Wm. D. Fox, <i>Cas.</i> W. L. Welch, <i>Ass't.</i>
TEXAS..	Bowie	City National Bank..... \$50,000 Wade Atkins, <i>P.</i> A. G. Turner, <i>V. P.</i>	J. A. Menefee, <i>Cas.</i>
"	Gilmer	Gilmer Bank..... \$15,000 Walter Boyd, Sr., <i>P.</i> W. S. Sasser, <i>V. P.</i>	Seaboard National Bank. William M. Wood, <i>Cas.</i>
VA.	Gordonsville	Central Va. Coll. Agency B'k	Wm. C. Damron, <i>Cas.</i>
WASH..	Colton	First National Bank..... \$50,000 L. D. Lively, <i>P.</i> E. P. McCollum, <i>V. P.</i>	Chase National Bank. E. L. Barnett, <i>Cas.</i>
WIS....	Beloit	Beloit State Bank..... John Paley, <i>P.</i>	Chemical National Bank. Geo. S. Whitford, <i>Cas.</i>

PROJECTED BANKING INSTITUTIONS.

- ALA....Montgomery....Mr. James H. Ely, of Union Springs, and associates, will start a bank at Montgomery, with \$100,000 capital.
- ARK....Nashville.....Howard County Bank; capital, \$25,000. M. M. Spears, President; W. H. Terry, Vice-Pres.; D. H. Terry, Director.
- CAL....Oakland.....German Mutual Savings Bank; Directors: Jacob Greenwood, C. C. Nordhausen, William Moller, J. C. Westphall, A. Kayser, J. F. Sohest, C. Jurgens, S. M. Babbitt, A. C. Henry.
- DAK. N. Devil's Lake...George Juergens and C. M. Fisher will start a State bank with \$15,000 capital.
- GA.....Dublin.....Dublin Banking Co.; capital, \$25,000. Joseph H. Williams, President; R. C. Henry, Vice-President; James M. P. Finn, Cashier.
- ..Warrenton....New bank started.
- ILL....ChicagoWestern Trust and Safe Deposit Co.; capital, \$50,000. Incorporators, Robert Bradbury, Frederick Bradbury, Charles E. Foote.
- ..Peoria.....American State Bank; capital, \$100,000. Incorporators: H. S. Weers, Rudolph Frey, A. Henry, Max Esler, W. P. Frensdale, J. F. Winton.
- IND....Connersville...Fayette Banking Co.; capital, \$1,000,000. J. B. McFarlan, President; J. I. Little, Cashier.
- ..Crothersville...New bank to be established.
 - ..Hartford City...New bank organized with capital of \$50,000. Adlem Lupton, President; S. R. Patterson, Vice-President; John A. Newbauer, Cashier; A. Grant Lupton, Assistant Cashier.
- KAN....Powhattan....State Bank of Powhattan; capital, \$10,000.
- MASS....West Lynn....West Lynn Trust Co. Roland G. Usher, President; Charles Orrin Breed, Vice-President; Samuel B. Valpey, Secretary.
- MICH...Fowler.....State Savings Bank of Fowler; capital, \$15,000.
- MINN...BrownsdaleNew bank to be started.
- ..Cambridge....Isanti County Bank; capital, \$30,000. S. S. Petterson, President; D. O. Anderson, Vice-President; Hans Enberg, Cashier.
- MISS. .Vicksburg.....New savings bank to be started; capital, \$50,000.
- MO....Washington....Farmers Bank; capital, \$10,000. Incorporators: W. L. Maden, T. J. Wayman, Joseph Sullinger.
- NEB....Wahoo.....A new bank to be established.
- ..WaynePeoples National Bank; capital, \$100,000.
- N. H...North Conway.North Conway Loan and Trust Co.; capital, \$50,000. Directors: Hon. Lycurgus Pitman, Alfred Eastman, Nathan W. Pease, James L. Gibson, Marshall C. Wentworth, Herbert S. Mudgett, Hiram H. Dow, Fred. B. Osgood, James A. Carlton.
- N. J....Collingswood..New bank being established.
- N. Y....BrooklynNew bank to be established in the Eighth Ward.
- ..Oyster Bay....New bank to be started.
- OHIO...Mansfield.....New National bank to be established; capital, \$100,000. Hon. W. M. Hahn will be President.
- PA.BellwoodBellwood Banking Co. will open for business.
- ..Mt. Pleasant...Peoples Mutual Savings Fund Loan Association; capital, \$1,000,000.
 - ..Pittsburgh....New bank for West End.
- TEXAS..Austin.....Panhandle Loan and Trust Co. John J. James, President.
- ..Ennis.....A National bank to be established.
 - ..Temple.....W. E. Hall will have active control of new bank starting.

- UTAH...Coalville.....W. W. Cluff is starting a bank here.
 VT.....Ludlow.....A bank is being organized here.
 WIS....Milwaukee.....Three branch banks, two on the West and one on the South side, will be organized by the Merchants Exchange Bank. Apply, Fred Vogel, Jr., Robert Nunnemacher, Herman G. Schmidt.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during August, 1892.

- ILL....Chicago.....Market National Bank, by C. G. Blanden and associates.
 " ..Murphysboro...City National Bank, by Jas. H. Martin and associates.
 IND. T..ChickashaFirst National Bank, by C. L. Anderson, Ardmore, I. T., and associates.
 ME....Belfast.....People's National Bank, by R. F. Dunton and associates.
 " ..York Village...York Co. Nat. Bank, by James T. Davidson and associates.
 MD....Canton.....Canton National Bank, by S. P. Schott, Baltimore, Md., and associates.
 MINN...AppletonFirst National Bank, by F. H. Wellcome, Granite Falls, Minn., and associates.
 " ..Princeton.....First National Bank, by S. S. Petterson and associates.
 OHIO...Urbana.....National Bank of Urbana, by A. F. Vance, Jr., and associates.
 OKL. T.El Reno.....First National Bank, by B. F. Hill and associates.
 PA....Ellwood City...First National Bank, by H. W. Hartman and associates.
 " ..Sandy Lake....Sandy Lake National Bank, by B. Magoffin and associates.
 TEXAS..Hearne.....First National Bank, by H. K. Davis and associates.
 WIS....Milwaukee.....Wisconsin National Bank, by Fred Fabst and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from August No., page 158.)

No.	Name and Place.	President.	Cashier.	Capital.
4782	Western Reserve Nat. Bank... Cleveland, O.		Geo. S. Russell,	\$1,000,000
4783	McCartney National Bank... Fort Howard, Wis.	David McCartney,	Joseph H. Tayler,	50,000
4784	First National Bank..... Denison, Ia.	W. A. McHenry,	Sears McHenry,	100,000
4785	City National Bank..... Bowie, Tex.	Wade Atkins,	J. A. Menefee,	50,000
4786	Continental National Bank.... Kansas City, Mo.	Elmer Williams,		200,000
4787	Bankers National Bank..... Chicago, Ill.	Edward S. Lacey,	Charles Dorrance,	1,000,000
4788	First National Bank..... Colton, Wash.	Lorenzo D. Lively,	E. L. Barnett,	50,000
4789	First National Bank..... Marathon, Ia.	J. P. Farmer,	S. T. Goltry,	50,000
4790	First National Bank..... Kendrick, Idaho	Frank N. Gilbert,		50,000
4791	First National Bank..... Pender, Neb.	H. N. Moore,	E. A. Wiltse,	50,000
4792	Third Nat. Exchange Bank.... Sandusky, O.	Lawrence Cable,	Fred P. Zollinger,	200,000
4793	People's National Bank..... Claremont, N. H.	Frank P. Maynard,	Geo. A. Tenney,	100,000

CHANGES. DISSOLUTIONS, ETC.

(Monthly List, continued from August No., page 159.)

IND.....	Clay City.....	Clay Co. Bank incorporated, same correspondents.
"	Windfall.....	Peoples Bank incorporated.
IOWA.....	Bristow.....	Bank of Bristow (Goodhue, Son & Co.) now Goodhue, Lathrop & Co., proprietors.
"	Denison.....	W. A. McHenry Bank succeeded by First National Bank.
"	Elgin.....	Citizens Bank, now Citizens State Bank, incorporated.
"	Hubbard.....	Bank of Hubbard succeeded by Hubbard State Bank.
"	Marathon.....	Marathon Bank succeeded by First National Bank.
"	Oskaloosa.....	Farmers & Traders National Bank succeeded by Farmers & Traders State Bank, same officers and correspondents.
KAN....	Gaylord.....	Gaylord State Bank, now Bank of Geo. R. Parker, private.
MICH...	Rockford.....	Rockford Exchange Bank (James Dockeray) succeeded by Bank of Rockford (Paris & Nave).
MINN...	Jasper.....	Bank of Jasper succeeded by State Bank of Jasper.
"	Minneapolis.....	Franklin State Bank reported closing.
"	Waseca.....	Bank of Waseca succeeded by Citizens Bank.
MO.....	Warrensburg.....	Peoples Savings Bank incorporated.
NEB....	Pender.....	Logan Valley Bank succeeded by First National Bank.
"	Winside.....	Winside State Bank succeeded by Merchants State Bank, incorporated.
N. Y....	Goshen.....	Goshen National Bank reopened.
OHIO...	Pemberville.....	Pemberville Bank (Beverstock & Heckman) now J. V. Beverstock, proprietor.
"	Sandusky.....	Third National Bank succeeded by Third National Exchange Bank, same officers.
ORE....	Coquille.....	Coquille River Bank closed.
PA.....	Philadelphia.....	Narr & Friend succeeded by Frederick Narr.
W. VA..	Alderson.....	Bank of Alderson incorporated, same officers and correspondents.
WASH..	Sumas.....	First Bank of Sumas (J. A. Cloud) closing.

DEATHS.

BEVER.—On August 22, aged eighty-four years, SAMPSON C. BEVER, President of City National Bank, Cedar Rapids, Ia.

CHAPIN.—On August 4, aged seventy-nine years, GARDNER S. CHAPIN, President of Union Dime Savings Institution, New York, N. Y.

CHINN.—On August 13, aged sixty-four years, WILLIAM J. CHINN, President of Deposit Bank, Frankfort, Ky.

CLARKE.—On August 8, aged sixty-seven years, JOHN V. CLARKE, President of Hibernian Banking Association, Chicago, Ill.

CONY.—On July 23, aged fifty-five years, D. A. CONY, President of First National Bank, Augusta, Me.

JONES.—On July 24, aged seventy-eight years, EDWARD JONES, President of Merchants and Mechanics Bank, Scranton, Pa.

LOVE.—On August 14, aged seventy-three years, WM. N. LOVE, President of First National Bank, Watkins, N. Y.

MURRAY.—On July 26, aged sixty-four years, BYRON MURRAY, JR., Assistant Cashier of Bank of California, San Francisco, Cal.

TOWN.—On July 31, aged seventy-four years, MORRIS C. TOWN, President of First National Bank, Elgin, Ill.

WILDMAN.—On July 12, aged seventy-one years, L. L. WILDMAN, President of Wildman's Exchange Bank, Wolcottville, Ind.

WILLIS.—On July 26, aged seventy years, RICHARD S. WILLIS, President of Galveston National Bank, Galveston, Tex.

WOOLLEY.—On August 11, aged fifty-two years, MILES T. WOOLLEY, Cashier of Yankton Savings Bank, Yankton, S. Dak.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, AUGUST, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in August.									
GOVERNMENTS.				RAILROAD STOCKS.					
Interest Periods.	Open- ing.	High- est.	Low- est.	Close- ing.	Open- ing.	High- est.	Low- est.	Close- ing.	Open- ing.
1898, 1907.... reg.	100	100	114 1/2	100	Col. Coal & Iron.....	35 1/2	39 1/2	31 1/2	39 1/2
1898, 1907.... reg.	116 1/2	116 1/2	115 1/2	115 1/2	Col., H. Valley & Tol.....	36 1/2	36 1/2	31 1/2	33 1/2
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Del. & Hudson.....	138 1/2	138 1/2	135 1/2	135 1/2
1898, 1907.... reg.	100	100	114 1/2	100	Del., Lack. & W.....	159	159	155 1/2	156 1/2
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Den. & Rio Grande.....	50 1/2	50 1/2	48 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	East Tenn. V. & G.....	1st pref.	4 1/2	4 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Evansville & T. H.....	106 1/2	106 1/2	105 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Illinois Central Western.....	107	107	106 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Lake Erie and Western.....	108 1/2	108 1/2	107 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Lake Shore.....	115 1/2	115 1/2	114 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Long Island.....	117 1/2	117 1/2	116 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Louisville and Nashville.....	118 1/2	118 1/2	117 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Louisville, N. Alb. & Chic.....	119 1/2	119 1/2	118 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Manhattan Consol.....	120 1/2	120 1/2	119 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Michigan Central.....	121 1/2	121 1/2	120 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Min. L. S. & W.....	122 1/2	122 1/2	121 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Minn. & St. Louis.....	123 1/2	123 1/2	122 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Mo., Kan. & Texas.....	124 1/2	124 1/2	123 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Missouri Pacific.....	125 1/2	125 1/2	124 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Nash. C. & St. L.....	126 1/2	126 1/2	125 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	N. V. C. & Hudson.....	127 1/2	127 1/2	126 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	N. V. C. & St. L.....	128 1/2	128 1/2	127 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	N. Y. L. E. & W.....	129 1/2	129 1/2	128 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	N. Y. & New Eng.....	130 1/2	130 1/2	129 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	N. Y. Ont. & W.....	131 1/2	131 1/2	130 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	N. Y. Sus. & W.....	132 1/2	132 1/2	131 1/2	—
1898, 1907.... reg.	100	100	114 1/2	100	Norfolk & Western.....	133 1/2	133 1/2	132 1/2	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	115 1/2	115 1/2	Do	—	—	—	—
1898, 1907.... reg.	100	100	114 1/2	100	Do	—	—	—	—
1898, 1907.... coup.	116 1/2	116 1/2	1						

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

OCTOBER, 1892.

No. 4.

THE MANAGEMENT OF THE SAVINGS OF WORK-
ING MEN.

It is reported that in many parts of England and Wales working men's institutions, which combine banking and building operations, are becoming bankrupt chiefly through mismanagement, or, perhaps, more often through the dishonesty of their directors. In England there are 2,700 building societies, the liabilities of which exceed £50,000,000, many of which are known to be utterly insolvent. This is doleful news, and in many respects is far worse than the losses arising from the Baring failure and investments in South America, for the reason that they must be borne by a class of people who are less able to suffer. The Baring and South American creditors were chiefly persons of means, who, though not enjoying their losses more than others, were doubtless able to live notwithstanding; but these late events mean in many cases the loss of every pound of the hard earnings of thousands.

By the side of these fallen institutions should be placed the co-operative societies in distribution and production in Great Britain, which are managed entirely by the working men themselves. These have been eminently successful; rarely has a failure occurred; though very large sums are now invested in this manner. Their experiments began with the formation of distributive societies, which have rapidly increased in number and in amount

of business; then societies for production were organized, which, though not as successful as the others (for the conditions of maintaining them are far more difficult), on the whole have had a good history, and certainly have been quite free from the charges of dishonesty or mismanagement. In these two ways a very large portion of the earnings of the working classes of Great Britain have been invested of late years.

In New England, New York, Ohio, Michigan, and, in short, in many other States, though in lesser degree, savings banks have been the principal institutions for the investment of the savings of the working classes. These institutions, as a whole, have had a splendid history. In New England especially a failure has rarely occurred, and their management has been quite free from all criticism. The directors are usually persons who have a sincere regard for the working classes, and who, in short, are desirous of having them managed in a sound manner. In making loans, security, rather than the largest profits, has been the ruling idea; indeed, the idea that the office was a trust has always been kept in mind. In a few cases the directors or trustees have perverted their end; have used a portion of their funds for personal purposes or loaned them to their friends, but examples of this kind, happily, have been rare. Severe laws have been enacted to restrain them from wrong-doing, and so, notwithstanding their large number, failures have rarely occurred, and though the annual interest may have been somewhat below that paid by other banking institutions, it has been paid with great regularity, and, in the long run, savings bank depositors have perhaps gained quite as much from their investments as ordinary investors.

In Pennsylvania, building and loan associations have largely taken the place of savings banks. It is true that a few banks of this character exist in the State, and have been managed with great prudence and success. Building and loan associations, on the other hand, have had a singularly successful history. \$70,000,000, or more, are at present invested in them, a failure has rarely occurred, wise legislation has been enacted prescribing the mode of organizing and managing them, and such amendments in the law have been made as experience disclosed were necessary. They are purely working men's institutions, officered and managed by them. The expenses of management are exceedingly small; meetings are frequent, and all the money is kept in constant use, so that at no time is there much on hand to be squandered or stolen, if those having possession of the same were so inclined.

On the other hand, these institutions in other States have had quite a different history. Too often they have proved a failure, and one reason is, as in the case of the building societies in Great Britain, they have not been managed by the working men

themselves, and in their own interests. In many of the Western States they are organized by a different class of persons, with the expectation of making large profits, while the theory of a building and loan association in Philadelphia is organized, not so much with a view to large profits, as to paying for the homes of the shareholders. Outside building and loan associations, as above stated, have been organized, in many cases, primarily as money-making institutions, without much, if any, thought of using the funds for the purpose of securing homes to the contributors. The difference is a radical one, and this is seen in the results.

Several reflections may be drawn from the facts above noted. The first is, that investors should be slow in adopting new methods. As the working men of Great Britain have been successful in managing their own concerns in their own way, in short, have acquired the experience needful to make them successful, they should be slow in committing their funds to others, to be managed no one knows how. It requires a certain degree of faith to do such things, but the world seems to be full of it, notwithstanding a great risk is always taken in thus confiding money to new institutions which at best are an experiment. These building societies were quite a new thing, and appear to have been managed by daring men, whose aim was to make large sums in the shortest time. Their end has come quickly, like almost all experiments of that nature. For the same reason those who are interested in building and loan associations in Pennsylvania should stick to them, because they know how to manage them, and can do so with far more prospect of success than would be attained in new experiments. In like manner the savings banks in New England, and other sections of the country, have learned how to conduct their business; long experience has shown what legislation is needful; what security should be taken and what avoided; and those who are interested in them should be slow indeed to abandon them for new experiments in which knowledge can be gained at a dear cost, and after many losses that cannot be well borne.

Another lesson to be drawn from these facts is that the selection of honest and capable men is of far more consequence than the nature of the mechanism which is to be used for making money. If the experience of banking teaches anything it is this very simple lesson: Measures are much, but men are more. A bank possessing a perfect charter, and guarded by perfect legislation, may be ruined if a bad man, or a number of bad directors, is in charge. These building associations in Great Britain have come to grief, so it is reported, not only because they were badly managed, but because dishonest men, in too many cases, were managing them. The miserable record of the get-rich-quick associations that have been launched in such large numbers in this

country in the last few years, to float a few weeks or months and then disappear, shows that they were designed by bold, bad men, who made as much as possible out of them, and then sunk them. It would seem as though experiences like these ought to have warned the world long ago against putting money into the hands of such persons, but even the best are slow to learn some things, especially when strongly tempted with the hope of great and speedy gain; but the end in all cases is the same. The honest and capable man, therefore, is just as needful as ever, and his place can never be supplanted by any mechanism, however perfect it may be.

Still, good machinery, good legislation, counts for something in business, just as it does in government, but not for all. It is never so important as honest and efficient men; nevertheless, every effort should be made to surround our savings banks, building and loan associations, and all other banking institutions, with every safeguard. They should be required to conduct their business honestly and safely, and, if violating the law, should be punished promptly and severely. By enacting good laws and keeping right men at the head are the best results attained; but it should never be forgotten that we can always more safely dispense with legislation and machinery than with good and efficient men. Nothing is more certain than this, that imprudent or dishonest officers will sooner or later cause the ruin of the best institution.



FREE BANKING IN ENGLAND.

A writer in the August number of the *Westminster Review* criticises the existing system of bank circulation in England, and maintains that it ought to be free, as it is in this country. At present, the Bank of England enjoys the monopoly of issuing notes, though the circulation of that institution in proportion to the business of England is not large. The writer says that the law-makers seem to entertain the false idea that bank notes are a nuisance, and there really seems to be some foundation for this assertion, as the amount is small and no law exists for increasing it. Indeed, the Peel act of 1844 assumes that the circulation was too large, for it provided that whenever the circulation of any country bank was withdrawn it could be replaced only to the amount of two-thirds by the Bank of England. Nevertheless, business has enormously increased since that time, and one would think that more paper circulation of some kind was necessary. Of course, there has been a large increase in the metallic supply, and a wonderful economy in the use of bank checks and their

payment through the Clearing House. If these things had not happened, it would have been needful to have increased many times over the monetary circulation.

Still, as the writer maintains, probably it would be a good thing for Great Britain if the present system was changed, and a free bank circulation, based on a sound redemption, was established. This certainly was the opinion of Mr. J. W. Gilbart who established the London and Westminster Bank. Pitt, the great finance minister, who was a believer in free banking, thus stated in the House of Commons, in 1797, his views on this subject: "As so much had been said on the matter of a circulating medium, he thought it necessary to notice that he did not for his own part take it to be of that empirical kind which has been generally described. It appeared to him to consist in anything that answered the great purposes of trade and commerce, whether in specie, paper, or any other terms that might be used."

The writer concludes by saying that "the very best thing Parliament could now do to release trade and set it 'bounding' again, would be to repeal Peel's Bank Acts, and let every bank be placed upon the same basis and allowed to go freely. That is to say, do away with the Bank of England monopoly and let it be treated like other banks, as Mr. Lowe said it should be, and as the late Mr. J. W. Gilbart, of the London and Westminster Bank, advised. Then all banks, or registered banking companies which wished to issue notes of their own, might be allowed to do so, as in the United States, on depositing consols with the Treasury as security for their issues. Gold and silver might also be deposited with the mint, and certificates or warrants given for the same, for foreign exchanges or other purposes. These 'notes' need not be forced upon the public, but allowed to go into circulation gradually. The Treasury should take a share in the 'note' circulation, and set aside consols for the same amount. This would be a new and easy way of paying off a portion of the National debt. Of course, Parliament would fix the amount of notes to be issued and the conditions of issue. Taking into consideration that the Bank of France has a note circulation of £125,000,000, with liberty to issue more, and that the United States has double that amount of issue (£80,000,000 being Treasury notes), there might be for a beginning £100,000,000 of Treasury and bank notes in denominations, of 10s., £1, £5, and upwards, for England, Scotland and Ireland."

A REVIEW OF FINANCE AND BUSINESS.

The first month of autumn has come and gone under the most unfavorable business influences this country has experienced in years. This was due to the one controlling factor of cholera in the port of New York, and the fear of its spread to other Atlantic ports, and to the interior towns into which the tide of immigration from Western Europe poured, and by and from which the dread epidemic was brought to this country. In the latter part of August our foreign trade began to be seriously affected by the outbreak of this scourge on the Continent of Europe. But when it was brought to our doors, and threatened to become epidemic here, the result was to completely paralyze our commerce with Europe, and bring our domestic trade as nearly to a standstill as possible, in the absence of an actual outbreak of a contagion.

Nothing but immediate necessities in either case secured attention, and even these were supplied on the most meager scale. The effect has been not only to stop new business but to delay the movement of old, and to keep buyers out of market and out of town. As a consequence, the improvement in general domestic trade, noted in August, was more than lost in September, and values of most commodities as well as of many securities were seriously depreciated, not only by accumulations of goods on the spot, but by short sales for future delivery in the speculative markets, based upon the practical embargo in our export trade, and reduced home demand in face of increasing supplies. This has been especially true of our chief export staples, especially grain, of which the movement has been heavy, while cotton was the least affected because of unfavorable weather and crop conditions at the South. Railway shares sympathized, although the grain roads were doing a larger business even than a year ago, when farmers were less free sellers at nearly 25c. a bushel more for their wheat. This was also due to reduced estimates of European import wants on this entire crop year, as well as on the temporary cholera embargo on our export trade. But fine weather for maturing and securing the late crops at the West and the abatement of the cholera in Europe and its practical disappearance from this country, caused a sharp reaction in the stock market toward the close of the month, on the covering of the oversold cholera shorts, and the manipulation of the Bull cliques who supported their specialties during the selling scare. Dry goods and textiles of all kinds, however, were so well sold ahead, both woolen and cotton, that there have been no accumulations of

stocks; and hence no depreciation in prices, notwithstanding very few new buyers have appeared in market for either during the month. It has made jobbing trade extremely dull, however, although the manufacturers have not yet felt the effect, as they are realizing good profits at old prices, with the still abnormally low prices carried for raw material, both cotton and wool. The crops are now assured and are good average ones in both this country and Europe, and another period of low prices seems to have been entered, wheat and flour having receded to the bottom. prices of the late period of agricultural depression, with corn and oats declining to their normal level after being held up longer than wheat by the lateness and doubts of the maturity of the corn crop. The latter is now secure from frosts, and lower prices are considered certain, and also for live stock, with the raw material, and a downward tendency is also certain in provisions so soon as the manipulations of the Chicago Bull cliques shall be ended. In the above connections the condition and prospects of our foreign trade are of more than usual importance in their bearings, both upon prices of commodities and upon financial affairs and the movements of sterling exchange and gold.

THE BALANCE OF TRADE

has been \$32,615,000 against this country for the three summer months, with the deficit still larger in proportion for September. Bearing on this point, the *Evening Post* gives the following interesting facts and figures:

If we may judge the import and export movements of the whole United States by those at New York, the imports in September are decreasing largely from those of August, but the exports of domestic products also appear to be decreasing in almost the same proportion as the imports of merchandise, since the imports at New York for the three weeks to September 16 were only \$29,770,067, against \$34,469,339 in the preceding three weeks, a decrease of nearly \$4,500,000, though this still leaves the import movement larger than at this time last year, when the imports in the same three weeks of September were \$25,970,880. The exports from New York in the three weeks to September 20 were \$19,344,244, against \$22,670,688 in the preceding three weeks, and \$25,765,144 in the corresponding three weeks of 1891. The three months of June, July and August were a period of extraordinary imports, the total for the whole United States having been \$220,747,179, against \$206,457,620 in the same three months of 1891, and \$214,230,686 in 1890. This left a trade balance against us of \$32,615,933 for the three months, whereas, in the same three months of 1891, the balance against us was only \$13,508,352.

But, if we may estimate the present movements by the imports

at New York, and by the increased supply of foreign exchange, and by the concurrent decrease in the demand for foreign remittances, this period of excessive imports has passed, and we are already beginning to feel the effects of a new order of things which will result in imports of gold instead of exports. The history of the last thirteen months, told in the following figures, will show that as soon as the excessive imports fall off we may expect imports of gold:

Ten months to May 31, 1892 :		
Excess of exports of merchandise.....		\$214,376,059
Excess of exports of silver.....		11,834,717
Excess of exports of gold.....		15,981,026
		<hr/>
Total excess of exports ten months.....		\$242,191,802
Three months to August 31 :		
Excess of imports of merchandise.....	\$32,615,933	
Excess of exports of silver.....		\$3,562,291
Excess of exports of gold.....		32,592,374
		<hr/>
	\$32,615,933	\$36,154,665
		<hr/>
Total net exports three months.....		\$3,438,732

The foregoing figures show that a great change took place in the movements of foreign trade about the first of June. Up to that time for ten months we had been returning capital to Europe, either in payment for our securities sold back to us, or for the transfer of loanable or other capital at the rate of over \$24,000,000 per month. But in June exports began to decrease and imports to increase, and they have continued to do so, leaving a larger excess of imports over exports each month since, until September. It was the excess of \$32,615,933 of imports of merchandise in the three months which required the sending out of \$32,592,374 of gold in the same time to pay for them, and the net result has been that the average monthly excess of all exports was only a little over \$1,100,000. From this the natural inference is that in the last three months all of the unusual withdrawal of foreign capital had ceased, and foreign trade, if not in a normal condition, was at least so balanced in its movements that as soon as exports of merchandise shall be in excess of imports of the same, we may reasonably expect imports of gold to the amount of such excess.

THE BANKS AND MONEY MARKET.

There has been a gradual hardening of rates for money during the month, due to the free movement of grain West, although the increased demand for currency and time money has been met by a corresponding supply of funds, both home and foreign, as the rates in London have been almost nominal, so plentiful is the supply of money and so stagnant the condition of European trade in general.

The rates here at the close were as follows: Money on call $3\frac{1}{2}\%$. Time money has shown an increasing supply, coming not only from out-of-town lenders, but also from city institutions, and the demand has not grown proportionately; the rates, therefore, remain at $4\frac{1}{2}\%$ per cent. for sixty to ninety days, 5% per cent. for four months, $5\frac{1}{2}\%$ per cent. for five to six months. Mercantile paper is in good supply, though not increasing in volume. The city institutions are beginning to come into the market moderately, while the out-of-town demand is fairly active. There is no change in the rates recently reported, and they continue to be quoted at $4\frac{3}{4}\%$ per cent. for indorsed bills receivable, $5\frac{1}{2}\%$ to 6% for single names of the highest grade, and 6% to $6\frac{1}{2}\%$ for other names. Call money in London $\frac{1}{2}\%$ per cent.; short and three months' bills 1 to 1-16 per cent.

Exports of gold from New York since January 1, gold, \$58,698,649; silver, \$16,329,644, against \$75,018,572 gold, and \$12,771,755 silver for the same period in 1891. Imports of gold were \$22,733; of silver, \$55,190, from South America, West Indies and Mexico. Since January 1, gold, \$6,544,281; silver \$1,862,019, against \$5,053,657 gold and \$1,526,466 silver for the same time last year.

During the month the deposits of the Clearing House banks of this city have decreased \$36,500,000, and the loan account has fallen off \$24,000,000. Taken in connection with the westward movement of currency, people have accepted the conclusion that the supply of loanable funds in New York is being heavily contracted. Any of the last four bank statements show how far the week's total interior shipments of currency failed to account for this shrinkage in deposits. The last week in the month, when interior shipments scarcely exceeded a million dollars, deposits fell off more than eleven millions.

The fact is that the bulk of this decrease came from the calling in, by city trust companies, of their own bank deposits. The purpose of such withdrawal was to lend the money themselves, at the higher ruling rate. But neither the new loans nor the trust company holdings appear, in any shape, in the weekly bank statement. So far as the Clearing House would show, the money had simply vanished from sight. In the same way, the foreign banker who sells exchange, in order to loan money here, withdraws from the Clearing House banks the amount paid him for his draft on London; but he places his money at once in the loan market. In either case, its purpose is to take advantage of the improved interest rates by lending freely.

In this connection the *Evening Post* also says: "There was a further contraction in city bank holdings shown by August 24th statement, although the very heavy reduction in deposits brought the surplus over required reserves to a slightly higher figure. A

comparison of city bank and United States Treasury holdings to-day with those at the opening of August, when Treasury reserves were at their low ebb, illustrates the remarkable change which has since come over the distribution of money. At that time, it will be remembered, there was a great outcry over the action of the banks in holding back gold certificates, and throwing the burden of export gold withdrawals upon the Treasury. Pessimists, here and in London, were talking of the early extinction of the Treasury's margin over the \$100,000,000 reserve. But the Treasury gold fund went no lower. To-day, despite the large gold shipments of August and September, the Government holds \$6,398,527 more gold than at the opening of August, while the banks have in the same time decreased, in specie and legal-tender holdings, more than \$26,000,000. While this decrease is directly attributable to the westward movement of currency usual at this season, it means also the payment from the banks and into the Treasury of something like \$14,000,000 gold; for the \$8,000,000 gold exports since August 1 were mainly withdrawn from the Treasury, leaving after their withdrawal a net increase of Treasury gold of more than \$6,000,000."

THE STOCK MARKET AND THE RAILROADS.

As above stated, the market for railway shares has been depressed until near the close by the cholera scare, in the face of a bigger traffic than a year ago, which was a surprise to many. Yet their returns so far made show that their net earnings have been less than last year, owing to lower rates or increased operating expenses, or both. This is said to be due more to cutting of passenger than of freight rates, and to the large percentage of "excursion business," which is a convenient way of rate cutting all over the country, and all but local traffic. The forcing of the cholera shorts to cover near the close was aided by the belief that the condition of the sterling exchange market indicates the imports of gold in the near future, and by the improved corn crop prospects now assured, together with the vague rumors of a settlement of the coal war between the Pennsylvania and Reading roads, on which the heavy short interest in the latter stock covered.

Further than this and a general coming movement and a partial recovery of the decline in prices earlier in the month, there was little new or of interest in the market or of the railroad situation. The talk of the postponement of the World's Fair at Chicago next year, on account of the fear of cholera breaking out on both sides of the Atlantic again, has not been heard since the abatement of the epidemic. This was used to depress the Trunk lines and Granger roads that carry the passenger traffic of

the East and West to Chicago. The "Industrial" or trust stocks have divided honors with railway securities, instead of monopolizing them as during August, and the craze in the former seems to have passed its crisis for the time being, without disaster to their buyers, as dividends are not only kept up, but in cases increased. So long as this policy is pursued by their managers there can no harm come to outside investors. But why should inside owners be willing to part with securities paying so large dividends at such low prices compared with railroad shares, if they were equally sure of continuing those dividends? These Trusts are not managed by philanthropists for the public good; but by men as unscrupulous as they are greedy, and there will be but one end to speculation in their "securities."

THE PRODUCE MARKETS

have all been under the cholera cloud as noted above, and stocks have increased, except of cotton, on a larger movement than a year ago, notwithstanding our crops are much smaller than the phenomenally large ones of last year, and prices much lower, especially of wheat. But the latter have now reached a point that a reactionary feeling is setting in that wheat is too low, after all due allowance for better crops in Europe this year than last, and a smaller export demand. With the disappearance of cholera, and the abolition of quarantine regulations against European steamers, by which the usual ocean freight accommodations have been seriously curtailed, it is expected that wheat and flour will recover somewhat of the late decline. The same is true of cotton, as the crop is not turning out as well as expected, receipts so far being far behind those of last crop, with a growing belief that estimates of this crop are as much too large as those of the last two were too small. But corn, oats, and other feeding stuffs are still regarded as too high, as well as the prices of their products, provisions, and especially hog products. The old theory of these trades was that two big corn crops in succession insured low prices the second year, and that two big corn crops meant a large hog crop in the same year. It takes longer to bring about a change in beef, as it takes longer to raise cattle than hogs, and beef may hold the late advance longer than hogs, which are still selling nearly one cent per pound higher than the basis at which hog products are selling for January, which indicates that packers look for proportionately lower prices of hogs on the new corn crop.

THE IRON AND COAL TRADES

are both very much mixed. Some branches of the former are more active, especially pig-iron, which has been so long depressed as to close most of the old furnaces that could not compete success-

fully with the modern ones, of which latter those of the South were largely composed. Demand seems to have overtaken curtailed production at last, and prices are improving with the demand. Structural iron is also in active demand, since the building trade strikes have been mostly settled, and plate-mills are also busy. But steel of all kinds is still at bottom prices, as the cost of Bessemer ores, and therefore of their product, is much lower than formerly, and the process of manufacture so improved as to still further reduce cost. The coal trade has shown some improvement, naturally at this season of the year, but nothing like the usual activity, as the public evidently does not believe the combination can maintain the unreasonable advance they have made, in violation of the pledges given by its managers when it was formed; at all events, there is an evident spirit of resistance to their demands, and, unless the rumors prove true, that the Pennsylvania has agreed to co-operate with the Reading, it seems likely that the former, together with the individual operators, will be enabled to market their largely increased production at prices that will prevent a further advance, if not compel the greedy combination to respect the public sentiment against it, if it will not respect its own promises and ordinary business principles of fairness, on which alone can a trust, however large, or an individual, however small, successfully conduct business for any length of time.

H. A. PIERCE.

Production of Gold in Africa.—At the end of June of the current year, mining upon the Randt gold fields in South Africa had been in existence five years. During this period 2,429,694 ounces of gold were produced, valued at \$42,000,000, the average grade of ore milled being about \$12 per ton. The production for the present year bids fair to exceed 1,100,000 ounces. It is entirely safe to say that no gold-mining district, relying upon vein-mining alone, has ever shown such a record as this, although the immense advantage of practically unlimited capital must not be overlooked. It is probable that the marked increase from 323,142 ounces in the first half of 1891 to 562,704 ounces in the first half of 1892, or over 74 per cent., will be even exceeded in the future. Deep mining is in its incipency, and a syndicate of able mining men and capitalists have practically secured this field. Claims parallel to the best of the proved reefs have been secured to the number of 650 by one syndicate alone, and, aided by the great capital at their command, undoubtedly the mining industry of the Randt will receive a second stimulus in noways less pronounced than the last.

FINANCIAL FACTS AND OPINIONS.

Lesson of the Maverick.—One of the most experienced bank cashiers of Boston has written a letter to the *Advertiser*, in which he says that the great wrong committed by Mr. Potter and his associates was not in taking paper without sufficient names, though having adequate security, but in using, as in fact they did, the money of others in their own speculations. He says: "The facts which criminate these men, and which, in the rather too forcible language of the chairman of the committee, should hang them, are that the money of the depositors and stockholders bought for purposes of speculation the stocks pledged as collateral; it was they who owned them, it was they who passed judgment on their character and value, and it was they who were to reap the profit on the sale of them, if any, on the infamous principle, 'Heads I win, tails you lose,' that is, if profitable, then we pay, if the reverse, then the bank loses. How these practices differ from what Mr. Potter calls the custom of well-managed banks any honest man may see at a glance. It is the difference between honorable men trying faithfully to perform their duties as trustees, and self-seeking men who enter or capture a bank for the money which may be made out of it. All knew of these practices, from the cashier down to the subordinates. The United States Examiner knew of them, and if he did not report them to the Comptroller in their true form, enough was known to order them to be stopped, but nothing was done, and the bank died of its own weakness."

Effect of the Decline of Silver.—It cannot be denied that the low price of silver bullion is a very powerful factor in depressing the world's trade. India is the greatest sufferer, for she sells most of her goods for silver and is obliged to make large remittances to Great Britain in gold, or pay a greatly increased rate of exchange, which is essentially the same thing. Trade in this country has not yet been affected as seriously; nevertheless, it is suffering from this cause. The mode in which the reduced price of silver affects trade has thus been explained by a financial writer:

We sell the bulk of our immense cotton crop to the manufacturers of the north of England, who sell the finished fabrics to India. The trade of India has been seriously disturbed by the fall in silver, and its ability to buy has been greatly curtailed. Diminish the power of your customer to buy, and you must either sell him less goods or the same amount at a diminished price. In practice, trade generally adjusts itself by dividing the two, part of the loss being on the bulk and part on the price. The English manufacturer, having this loss on the marketing of his products, cannot take as much raw cotton from us as he did before, or

must take it at a less price. So the cotton planter here is adversely affected. Nor is he alone in this. The manufacturing population of the north of England are immense consumers of our food products. Their wages and their hours of work have been reduced, and consequently their ability to buy those food products. Here is one of the principal causes of the low price of wheat. Our surplus wheat is marketed at Liverpool, and the price of the surplus is the price for the whole crop. So not only the Southern planter, but the Northern farmer is hurt. Though our cotton exports in July were larger than in the same month last year, we may imagine that exports during the last half of the year will show a falling off, because there are so few exchange bills being made against future shipments. Three of the largest cotton houses report that they have drawn bills against cotton shipments for October, November, and December, to the extent of only 10 per cent. of the amount they had drawn at this time last year. This may help us to understand why it is that commercial bills are so scarce in the market that gold is still dribbling out.

Improvement in Commercial Law.—In the July number of the *BANKER'S MAGAZINE* we sought to show that a prominent object of the State Bankers' Associations should be the improvement of our commercial law. This is clearly within their province, and they could accomplish much if they were so minded. The need of improvement is apparent to every banker in his daily business. The abolition of the days of grace is a familiar illustration. The banking associations are becoming quite earnest in the matter, and, doubtless, in a short time this ancient custom will cease to exist. At the recent meeting of the American Bar Association, Mr. William L. Snyder, a member of the New York commission, read an exceedingly interesting paper on the problem of uniform legislation in the United States. He said that the first thing which the commissioners have sought is to secure validity in other States for certain transactions valid in the State in which they occur; the acknowledgment of deeds, the execution of wills, the descent and distribution of property of intestate decedents. The commissioners seek also to secure from the Legislatures of various States the enactment of laws providing for uniformity in various matters relating to commercial affairs, such as abolition of "days of grace," substituting of scrolls for seals, and other similar matters. Most of the changes proposed are to be in the alternative, so that either the old form or the new form can be used, but it is supposed that a greater desirability of the uniform rules will lead to their adoption without any considerable disturbance in business. This association might well unite with the bank associations, as well as boards of trade and of commerce, and commercial organizations generally, to accomplish these reforms. There never was a more hopeful time for undertaking such work than the present.

California Bank Deposits.—The report of the Bank Commissioner,

dated July 1, and now just published, shows that the banking capital of California on July 1, divided among commercial banks, savings banks, private banks, National banks and agencies of foreign banks, amounted to \$63,565,001, that the deposits amounted to \$198,666,411, and the loans on all classes of securities to about \$220,000,000, in round figures. The difference between the loans and deposits and capital added together is represented by cash on hand—\$19,934,920—bank premises, real estate and "other assets." In actual money the banks hold, roughly, 10 per cent. of their liabilities. During the past year thirty-one new banks were organized, and nine went out of business. The total number of banks now in existence is 268. Of these, three-fifths (156) are State commercial banks, one-fifth (fifty-four) are savings banks, and the remainder are National banks, private banks and agencies of foreign commercial banks. Over two-thirds of the banking capital employed in the State belongs to the commercial banks. The capital of the savings banks is about eight millions, or one-eighth of the whole; but five-eighths of the total deposits are in those institutions, and nearly as large a proportion of the loans. The San Francisco commercial banks, with a capital of \$28,234,000, have \$26,810,000 of deposits; the whole of their capital is about equal to their loans on personal security, and their loans on real estate and securities are about half as much. In the interior the commercial banks have loaned nearly all their deposits on personal security and nearly all their capital on real estate. The condition of the banks both in city and country indicates a flourishing state of business. The character of the business done by our banks may be gathered from an examination of one or two leading institutions. The Hibernia Savings Bank has a reserve fund of nearly two millions (\$1,986,166) to meet a drain, and has \$4,000,000 invested in United States bonds. Its deposits amount to the enormous sum of \$27,174,703. Of this it has loaned on real estate and bonds something less than \$21,000,000, and it carries cash to the amount of about half a million. It pays 4½ per cent. to ordinary depositors. Thus it must employ the \$21,000,000 it loans at a rate of interest which will enable it to pay 4½ per cent. on \$27,000,000. That it does so, its net earnings last year, which were \$1,166,615, sufficiently demonstrate. As types of the commercial banks we may take the Bank of California and the Nevada Bank of San Francisco. Both have the same capital—\$3,000,000; the Nevada has a surplus of \$300,000, the California a surplus of \$1,000,000. The Nevada has a deposit line of \$3,263,000; the California more than twice as much—\$7,026,000. The Nevada has a discount line of something over \$4,000,000; the California's loans amount to nearly \$10,000,000. The difference between the banks is explained by the fact that the California had the start

of the Nevada in the business of commercial banking. The California holds nearly two millions of money on hand, the Nevada nearly a million and a half. A bank which holds \$2 in cash for every \$7 that it owes is conducted with such conservatism that at the last it would be a matter of wonder how it managed to earn dividends.

A Gold Standard for India.—At the latest meeting of the Indian Currency Association the president delivered an address in which he maintained that the growth of India's prosperity during the last twenty years was not greater than might be expected from the natural increase of population, the extension of railways, and the opening of the Suez Canal, and was in no way due to the depreciation of silver. He said that of the eighty-three European mercantile firms existing in Calcutta nineteen years ago, thirty-six had failed or had been wound up, while at least twenty others had appeared and disappeared in the same time. These results, he contended, were mainly caused by losses from fluctuations in exchange. Now or never, he added, was the time to fix a gold standard for the currency, and he predicted that if India, while retaining a silver currency of unlimited legal tender, gave it a fixed gold value, she would enter upon a new career of prosperity. The amount of gold required, he estimated, would not exceed fifteen millions sterling, and as the operation would be spread over two or three years, he did not anticipate that the cost or the difficulty of the change would be prohibitive. Commercial men, as a rule, still hold aloof from the association, but several merchants of high standing and the managers of two important banks recently joined the central committee. The English financial press is generally opposed to the scheme.

The New Austrian Monetary System.—The adoption by the Government of Austro-Hungary of a gold standard, after discussing the subject several years, and this on the eve of the assembling of the monetary conference proposed by the United States, is not an omen favorable to the success of measures designed to promote an extension of silver coinage. The new Austrian monetary system went into effect throughout Austria and Hungary on August 11. It is formulated in six laws. The first substitutes a golden unit of value, the crown, for the previously existing silver unit of value, the gulden or florin. The second recites the monetary convention agreed upon between the two parts of the dual monarchy, Austria and Hungary. The third authorizes the payment in the new gold crowns of all debts contracted to be paid in golden florins. The fourth is a necessary modification of the statute creating the Austro-Hungarian bank. The fifth authorizes

the Minister of Finance to make a loan for the purpose of buying the gold necessary for the new coinage, and the sixth finally authorizes the conversion into terms of the new coinage of State obligations, railway bonds, and so on. Austria-Hungary has a two-fold object in this new departure. The dual empire means to put itself in line with Germany and England as against the Latin Union and Russia, not to mention the United States, by adopting the single gold standard.

BANK COLLECTIONS.*

[CONTINUED.]

In most States when a check is sent to another bank for collection it may accept the debtor's check as conditional payment, and the acceptor becomes the debtor's agent to collect the money; and until it is collected his payment is not complete. (*Merchants' Bank v. Spicer*, 6 Wend. 443; *Olcott v. Rathbone*, 5 Wend. 490; *Kelly v. Second Nat. Bank*, 52 Barb. 328.)

In thus receiving a substituted check or other instrument, instead of demanding and receiving money, is the bank responsible therefor, or negligent if not collecting the same? In *Smith v. Miller* (43 N. Y. 171, 175), a draft was taken by a collecting bank for a check, and the Court of Appeals remarked that there was no impropriety for a collecting bank to take a draft for the check presented: the practice is as ancient as it is universal. (*Russell v. Hankey*, 6 Term 12; *Howard v. Robinson*, 7 Barn. & Cres. 90; *Indig v. National City Bank*, 80 N. Y. 100, 104.)

As a collecting bank when receiving money in payment can properly remit by purchasing a draft for the amount, it is justified in taking a draft in the beginning, and thus escape the useless formality of demanding money of the debtor, or of the bank on which his check is drawn, and paying it back to a bank for a draft. (*Indig's case*, 80 N. Y. 100, 104.)

But it may be inquired, does not the practice overthrow the rule first announced, that a bank must receive only money in payment? It does not; for payment is not made until the second check is paid, when, of course, money is received.

When another check or draft is taken for the first, it is proper to deliver the original to the maker, drawer, or drawee; and no negligence or impropriety can be imputed to a bank in doing so on receiving the substitute. (*Smith v. Miller*, 43 N. Y. 171, 175; *Russell v. Hankey*, 6 Term 12; *Howard v. Robinson*, 7 B. & C. 90; *Byles on Bills*, § 16; *Story on Bills*, § 419; *Chitty on Bills*, § 433.)

* Copyrighted by HOMANS PUBLISHING COMPANY.

Sometimes the first is retained until the second is presented for payment, especially when the collecting agent fears that the second may not be paid (*Second Nat. Bank v. Cummings*, 18 So. Rep. 115, Tenn. 1891); when this is done, the collecting bank cannot decline to surrender the other on payment of the second. If it be a note, for example, which has not matured, this is no ground for refusing to deliver it. (*Union Sav. Association v. Clayton*, 6 Miss. App. 587.)

The duties of the foreign bank or sub-agent in collecting the substituted check or draft may now be described. As we have seen, if money is paid to discharge the original check, or it is drawn on the sub-agent, either its draft will be sent, or one purchased for that purpose. If a draft is purchased on a solvent institution, then its liability ceases; if its own is sent, then it is liable therefor. If it is paid, the transaction is at an end: otherwise the collecting bank is liable, and if adequate satisfaction is not obtained, recourse, perhaps, can be had of the original debtor. The cases in which this can be done have already been described. The second or substituted draft given by the debtor, of course, is not drawn on the sub-agent, but on another bank. Thus if the original check has been sent by a bank in New York to a bank in Buffalo which is drawn by a resident there on a bank in his city, the substituted check on a bank in New York would be ordinarily a check or draft procured by the debtor on a bank in New York. This, then, is sent to the collecting bank in New York which first received the original check for collection. When it has received the substituted draft, what are its duties; are they the same as in the collection of any other draft? They are not quite the same, for the reason that the law imposes more expedition in collecting such a draft than the original. By taking it the time for making the collection is extended, and this means a greater peril to the owner of the original check, and consequently the law imposes a more strenuous service in performing the collection of the substituted draft. The courts have very generally declared that the ordinary rule for presenting checks by the holder does not prevail, and that presentation must be made at once. There is some reason for establishing a stricter rule. All the time given by law for collecting the money is usually spent in presenting the first check, and the time therefore spent in collecting the second is an extension which would not be necessary if the money had been obtained and remitted in the beginning. Besides, the delay involves a loss of the use of the money, while the risk of obtaining payment is increased by delay, and therefore the law should require the collector to exercise more promptitude in demanding payment of the second check. In *Smith v. Miller* (43 N. Y. 171, 176), Mr. Justice Allen remarked: "When a check is taken instead of money, by

one acting for others, . . . a delay of presentment for a day, or for any time beyond that within which, with proper and reasonable diligence, it can be presented, is at the peril of the party thus retaining the check and postponing presentment, as between him and the persons in interest whom he represents." They must therefore be presented the same day they are accepted, if possible, unless the time for doing this has been extended by custom. (*Smith v. Miller*, 43 N. Y. 171; *Carroll v. Sweet*, 128 N. Y. 23.)

We may next inquire how far, if at all, the requirement concerning presentation of the second check has been modified by custom, especially in presenting them for payment through the Clearing House. Of course, if presentation in that manner did not delay their collection, no objection would be likely to arise from pursuing this method, but as presentation in that manner is usually somewhat slower than it would be if made directly, the question arises, is a bank justified in following such a custom if it exists, and would it be protected in doing so should the drawee fail before the collection is completed? This question has arisen on several occasions. In *Turner v. Bank* (3 Keyes 425) the second check was presented the next day after it was drawn through the Clearing House, but before making presentation the drawee failed. It was decided "that this was the regular course of business for presenting checks drawn upon banks in New York; there was no *laches* in thus presenting it." In like manner in *Burkhalter v. Second Nat. Bank* (42 N. Y. 538), the second check was presented for payment in the ordinary course of business through the Clearing House, and refused. The court declared that this transaction did not show the absence of any diligence. (*Johnson v. Bank of North America*, 5 Robt. 590; *Smith v. Miller*, 6 Robt. 157, 413.) In *Indig v. National City Bank* (80 N. Y. 100) the second check was received after business hours on Saturday, and presented through the Clearing House on Monday morning, and returned to the bank in the usual course of business on the next day as not good. Mr. Justice Rapallo remarked that "sending the draft through the Clearing House for collection was the usual and proper mode."

On the other hand, in *Smith v. Miller* (43 N. Y. 171), it was declared that the custom could not be presumed to exist without evidence, and in that case such evidence was not shown. On the second trial (52 N. Y. 545), before the jury, "evidence was introduced for the purpose of showing that it was the universal custom in New York to deposit such checks in banks for collection through the Clearing House without first presenting them for certification at the bank upon which they were drawn."*

* Rapallo, J., said: "The whole current of evidence was to the effect that a large proportion of the checks deposited in bank for collection was certified before being deposited, and that each depositor exercised his own judgment as

In *First Nat. Bank v. Fourth Nat. Bank* (77 N. Y. 320, and second trial 89 N. Y. 412), it was again declared that the custom of presenting such checks through the Clearing House for payment was not proved. On the last trial, Mr. Justice Andrews remarked: "The evidence shows that the practice varies with the credit of the drawee, the condition of the money market, and other circumstances, and among different banks, and the plaintiff had no knowledge of such custom or practice. So, also, as to the alleged custom of collecting checks through the Clearing House, by which they are not presented to the bank on which they are drawn until the next day after they are received. This practice prevailed only among banks making exchanges through the Clearing House. It did not prevail among other banks, or with savings banks, or trust companies, or with respect to checks on private bankers. The evidence failed to establish a certain, uniform, or general custom, in respect either to accepting checks for drafts or collecting them through the Clearing House. It is unnecessary, therefore, to consider whether the alleged custom to receive uncertified checks in payment of bills, and to defer presentation until the next day after their receipt, if established, would regulate and define the rule of diligence, as between a collecting agent and his foreign principal." If we understand the decisions, they do not deny that such a custom, clearly proved, would have the effect of changing the rule of law requiring immediate presentation, but declare that, whether such a custom exists or not in New York, the presentation of checks through the Clearing House has not been clearly proved. The question is of most practical importance to the banking interest of that city, and it is singular that a definite rule of some kind has not been long ago clearly established.

When the second check is not paid, the ordinary course is to reclaim the first and protest it for non-payment and notify the to whether or not to have checks certified before depositing. That if there was any doubt as to the responsibility of the maker of a check, it was customary to have it certified; and that, when checks were deposited without being certified, this was done on the ground that the holder had such entire confidence in the responsibility of the maker, that he was willing to take the risk of the check remaining good on the next day, and that the question whether or not the check should be presented for certification before being deposited was determined by the amount of confidence the holder had in the drawer of the check. There was some slight conflict in the evidence on this subject, but not sufficient, we think, to require the submission of the question to the jury, or to have justified them in finding the universal custom claimed by the plaintiffs to exist. There was positive and uncontradicted evidence of a contrary usage on the part of many dealers, and this showed that the custom testified to by one or two witnesses was not general. It is not necessary to decide whether, in case the custom had been proved, it would have governed the question of defendant's liability."

indorsers. When this is done, the owner is remitted to all his rights for the recovery of his original claim. (*Burkhalter v. Second Nat. Bank*, 42 N. Y. 538; *Turner v. Bank*, 3 Keyes 425; *Smith v. Miller*, 43 N. Y. 171, 175; *Indig v. National City Bank*, 80 N. Y. 100; *First Nat. Bank v. Fourth Nat. Bank*, 77 N. Y. 320; *Olcutt v. Rathbone*, 5 Wend. 490; *Merchants' Bank v. Spicer*, 6 Wend. 443.) Or, action may be taken to recover on the second check. What course should be taken depends on the ability of the defaulting parties. Of course, the failure to collect the check is usually, though not always, caused by the failure of the parties to the first or second check. In pursuing them, the holder will consider from whom he is most likely to recover, and act accordingly.

A bank may send checks that are deposited with it for collection to the drawee bank for payment (*Shipsey v. Bowery Nat. Bank*, 59 N. Y. 485, 490; *Indig v. National City Bank*, 80 N. Y. 100; *People v. Merchants & Mechanics' Bank*, 78 N. Y. 269; *National Bank of Trinidad v. National Bank of Denver*, 4 Dill. 290; *Corn Exchange Bank v. Farmers' Nat. Bank*, 118 N. Y. 443), though the contrary rule prevails in Illinois, Pennsylvania, and Colorado. (*Haslitt v. Commercial Nat. Bank*, 25 W. N. Cas. 282, 1890.) In one of the Pennsylvania cases a check was deposited in a bank in Philadelphia which was sent to the drawee bank for payment in Mississippi. That bank sent a draft on a New York bank in payment. Before it could be collected the Mississippi bank failed, and the New York bank refused to honor the draft. The Philadelphia bank was regarded as negligent in sending the draft to the drawee bank, and was held responsible to the depositor for the amount. (*Merchants' Nat. Bank v. Goodman*, 109 Pa. 422; *Haslitt v. Commercial Nat. Bank*, 25 W. N. Cas. 282.) This rule is opposed to the practice of bankers everywhere. And it is a very unreasonable one. (*Indig v. National City Bank*, 80 N. Y. 103.) In *Indig's* case a bank sent a note deposited by a customer to the drawee bank, and Mr. Justice Rapallo remarked that this appeared "to be an ordinary method of transacting such business." (*Shipsey v. Bowery Nat. Bank*, 59 N. Y. 485.) And the same practice has long prevailed in England. (*Heywood v. Pickering*, 9 L. R. Q. B. 428; *Prideaux v. Criddle*, 4 Id. 461; *Bailey v. Bodenham*, 16 C. B. N. S. 295; *Hare v. Henley*, 10 Id. 65; *Russell v. Hankey*, 6 Term 12.) Nor is there any good reason why this should not be done. The analogy maintained by Mr. Justice Scholfield, of sending a note to the maker, is not correct, for a bank is not a debtor to the holder of a check. A bank has money belonging to the maker, and it has no greater interest to withhold the payment of it to the holder of the note than to the maker. The money is not the bank's, and the only concern it has in paying it is to have

authority for doing so. Besides, when a note or check is sent to it for collection, it is the agent of the sender to collect the amount due, and therefore it is as much interested in serving the holder or payee as the maker or payor.

In *German Nat. Bank v. Burns* (12 Colo. 539) it was decided that a collecting bank ought not to send a certificate of deposit to the bank giving the same for payment, but should present it through a suitable agent. This may be the law in Colorado, but certainly is not the practice of most of the States in the Union. Such a rule would not only be a great inconvenience to the banks, but add greatly to the expense of making collections. It is true, as we have seen, that the same rule has been established in Illinois and Pennsylvania, but the banks in both of these States have disregarded the legal requirement, and doubtless will continue to do so. They will run the risk of loss rather than incur the additional expense of trying to observe it. Besides, in sending to another bank there would be no more safety than in sending directly to the drawee bank. In short, there is not a single good reason in favor of the rule.

When a check is received by a foreign collecting bank which is drawn thereon, what acts constitute payment of the same?

First. When the check is charged to the maker's account, and the amount is remitted or credited to the sending bank the original check is regarded as paid, and the drawee bank becomes responsible therefor. (*Commercial Nat. Bank v. Miller*, 76 Ala. 168; *Corn Exchange Bank v. Farmers' Nat. Bank*, 118 N. Y. 443; *Whiting v. City Bank*, 89 N. Y. 363; *Oddie v. Nat. Bank*, 45 N. Y. 735; *American Exchange Nat. Bank v. Gregg*, 28 N. E. Rep. 839; *St. Louis & San Francisco R. Co. v. Johnston*, 133 U. S. 566.) In *Whiting v. City Bank* (89 N. Y. 363), a note was sent to the drawee bank which fell due on Sunday, July 4th. On Saturday, the defendant marked the note as paid, and sent a draft for the proceeds to the remitter. The maker at that time had a small balance to his credit, but not enough to pay the note. On July 6th, the bank having learned that the maker had failed, stopped payment of the draft, and requested the remitter to return it, claiming that it had been sent by mistake. The court declared that the mistake was not proved. "There is no legal presumption," said Mr. Justice Rapallo, "that payments made by a bank are made by mistake, even when the account of the party for whom they are made is not good." It is contended that even if the payment was voluntary and intentional, and credit was given to the maker of the note, the owner could not recover in that action, but must sue for the proceeds. The court declared that this position was not tenable. If the facts disclosed a good cause of action the owner could recover, even though assigning in his complaint an insufficient ground for recovery.

In *Briggs v. Central Nat. Bank*, a New York bank received from Briggs, for collection, a check drawn on a bank in New Jersey, and sent it by mail to the drawee, which for a long period had been its collecting agent in that State. The drawee on receiving the check charged it to the drawer, and credited the New York bank with the amount. The next day the New Jersey bank failed, and Briggs then brought an action against the New York bank to recover the amount. The court decided that the drawee had a right, under an agreement existing between the two institutions, to discharge the drawer and substitute itself as debtor, which it did, and that the New York bank "must be regarded as having accepted the responsibility of the drawee upon its credit in the collection account as payment of the check," and was consequently liable for the amount.

In another case (*McIntosh v. Tyler*, 54 Hun. 99), a check was deposited in a bank for collection and sent by it, by mail, to the bank on which it was drawn. Having been received, it was charged to the account of the drawer, stamped "paid," and canceled by putting it on a spindle. A draft on a New York bank in payment was filled out by the bookkeeper, but was not signed, and subsequently destroyed. The payee bank stopped payment on that day. It was held that the check was not paid by the bank, and consequently the drawer was not discharged. In this case, Mr. Justice Follett remarked that, construed by the custom of bankers, the transaction between the sending bank and the collecting bankers "amounted to a direction by the former to the latter to this effect: 'For the enclosed check mail your draft on New York, or return the check.'" The drawee failed to send the draft, or to pay the check in any other way, and before doing so it was authorized to mark the check paid, or to charge it to the drawer's account. The fact that the check was delivered to the drawee, and by it charged to the drawer's account and marked paid, did not discharge the drawer. (*Turner v. Bank of Fox Lake*, 4 Abb. Ct. App. Dec. 434; S. C., 3 Keyes 425, and 2 Trans. App. 344; *Burkhalter v. Second Nat. Bank*, 42 N. Y. 538; *Kelty v. Second Nat. Bank*, 52 Barb. 328.)

Second. When the check is thus sent, collected, and credited, and in doing so *the drawer's account is overdrawn*, the check is nevertheless paid, and the bank is responsible. (*Whiting v. City Bank*, 89 N. Y. 363.)

Third. When the check sent for collection is drawn on the collecting bank and charged to the customer's account, and the sending bank is credited with the amount, the original debt is discharged, *notwithstanding the failure of the bank*. This principle has been recently applied in *Welge v. Batty* (11 Ill. App. 461). A vendor drew at sight for the amount of his bill on the vendee,

and the draft was indorsed for collection to the vendee's bankers who received the same. By direction of the vendee the amount was charged to his account, who had sufficient funds in the bank for that purpose. The banker then drew his check for the amount payable to the vendor, which was transmitted to him. It was declared that the original debt was discharged, notwithstanding the failure of the banker, which rendered his check of no value. Judge Higbee, in applying the law to this case, said: "The draft had been assigned to the bank for collection, and it had the undoubted right to demand and receive payment. . . . The law did not require the useless act of first counting the money out of the bank to appellants and then paying it back to them. The draft was in the possession of the officers of the bank, who, as assignees, had a legal right to receive the money which was also in their custody; and when by direction of [the vendee] it was appropriated to that purpose and charged up to his account, the control of the bank over the money was complete, and all right of [the vendee] to it ceased, and from that instant the indebtedness of [the vendee] was extinguished. The fact that the bank failed two days afterward, and that the draft drawn by it to the Waverly bank on account of the collection was dishonored, cannot render [the vendee] liable."

Fourth. When the check is thus sent, collected, and credited, and the *drawer's account is overdrawn, and the collecting bank fails*, the check is not paid, and the holder can pursue the drawer. (*Kinney v. Payne*, 8 So. Rep. 747.)

A distinction must be made between the acceptance by a creditor from his debtor of a new security or obligation for an old debt, and the acceptance by a bank of a check drawn on itself in payment of a note or other instrument. The former is a mere substitution of one executory agreement or obligation for another, and in such a case the precedent debt is not extinguished unless there is an express agreement to accept the new obligation as a satisfaction of the old. "But when a bank," says Mr. Justice Selden, "receives upon a debt a check drawn upon itself by one of its customers, and charges it in account, it thereby admits that it has funds of the drawer sufficient to meet the check, and the acceptance is *per se* an appropriation of these funds to the payment of the check." (*Pratt v. Foote*, 9 N. Y. 463, 466.)

The mail is chiefly used for the transmission of checks, but it has also been held that it can be used for presenting them for payment. In *Indig's case* (80 N. Y. 100) a note was presented by a Brooklyn bank to a bank in Lowville, at which it was payable in the same manner. *Indig* contended that the Brooklyn bank constituted the Lowville bank its agent to receive payment of the note, and was therefore liable for the amount which was paid by

charging the same to the account of the maker, who was also a depositor. So he sued the Brooklyn bank, the other having failed, for the amount of the note. The court, however, did not think that an agency had been created.

The judges were quite equally divided, and those who dissented, though delivering no opinion, certainly were well grounded in their position. In the first place, when a note or check is presented for payment, all that the paying bank does is merely to pay, but when a note or check is presented through the mail for payment, the payee must do much more than this—the money must be sent. Even if the note is paid by the maker and no protest is required, and no notices need be given, the money must be sent, and the mail is quite incompetent to do this. Narrow the functions of the payee bank to the utmost, and a clear difference remains in the nature of the service which it must perform in completing the payment to the sender, and the service performed by a bank which demands payment over the counter in the usual manner. In short, while a check or note may be sent through the mail to the payee bank for payment, it is a straining of language to say that presentment and demand is made by this agency. The mail is a transmitter and nothing more. Is it not wholly outside the functions of the mail to render such a service, and can it, in fact, do such a thing? Of course, a check, draft, or other instrument can be transmitted in this way, but whenever this is done the payee bank performs a larger service than that of mere payment. It certainly performs the usual service of an agent in getting the money and in sending it; and we perceive no reason, therefore, why it should not be regarded as the agent of the sender to do these things. We are impressed that this is one of those cases in which the court shrank from applying their severe rule of the liability of a bank for the misconduct of another, and evaded its application by declaring that the Lowville bank was not a sub-agent, but that the note was simply presented to it through the mail for payment.

Again, if the principle in this case be correct, when is a bank to be regarded as a collecting agent that receives a check or draft drawn on itself, or a note payable there, which is received through the mail? A bank may thus act, as was clearly decided in the Briggs case, which has already been described. The maintenance of the rule will cause no small difficulty. When arrangements exist between two banks for making collections, these may be decisive of their relations and liabilities, but cases are constantly happening where no fixed arrangements exist; and what then is the duty of a bank when a check or note payable at its counter is not paid? Shall it protest the same? If it is presented through the mail simply for payment, the bank surely has no duty of this

nature to perform. If a check is presented for payment by another bank, surely the bank at which it is payable would never do anything with such a note if it was not paid; while the bank can neither demand payment and give notices, and is without authority to return the same.

When a check is deposited with a bank by a customer, drawn on another customer, the law regards the institution as an agent to collect the same. (*Bank v. Kenan*, 76 N. C. 340, 345.) This principle has been declared on several occasions. In one case K. deposited in a bank a check drawn by M. & Co. on the same bank. The check was received for collection, and was thus regarded by the depositor and the bank. The court declared that it was the agent of the depositor to collect it, and was held liable for not performing its duty. "The undertaking of the bank was to collect a check on itself. Of necessity it must be assumed that it was presented for payment. If it was then accepted by the bank, the amount of the check became a cash deposit to the credit of the depositor paid out of the funds of the maker, or charged to his account with the bank." If it was not accepted it was the duty of the agent to give notice to the holder and return the check. The bank did neither, and was therefore liable. "The bank was, here both drawee and collecting agent," it knew the condition of the drawer's account, yet kept the payee in ignorance of the non-payment of the check until after the failure of the drawer became known, four days after it was payable. The court declared "upon the plainest principles of justice these peculiar circumstances of willful neglect of a known duty constitute a case of constructive acceptance of the check, and fix the bank for the full amount of it." (*Bank v. Kenan*, 76 N. C. 340, 345.)

What acts constitute the payment of such a check may next be considered. We have just shown how the dealings of a bank with checks received from other banks drawn on itself are regarded. Do any different principles apply to checks deposited by customers? The *American Exchange Nat. Bank v. Gregg* (28 N. E. Rep. 339) is one of the most recent and instructive cases on the subject. A check for a very large amount had been presented by a customer of the bank drawn on another customer. It was credited to the holder's account, but was not charged to the account of the other. The check was regarded as paid, nor could the bank afterward deduct the amount from the owner's account. The fact that the bank had not charged the check against the account of the drawer did not affect the validity of the payment. "This," said Mr. Justice Craig, "was a matter of bookkeeping, and the rights of the parties are not to be determined merely from the manner in which books are kept. When the check in question was presented, the question was whether Kershaw & Co. at the time had funds in

the bank sufficient to pay. If they had, the bank was bound to pay the check; otherwise not. In determining this question, the bank had the right to take into consideration a check drawn by Kershaw & Co., which had in good faith been previously paid, although such check remained on a spindle in the bank, and had not been entered up by the bookkeeper. In other words, when a check is presented to a bank for payment, the bank will take into consideration all the funds which it has received from the drawer subject to check to that time, and the total amount of all sums up to that time which it has paid out on his account. A balance thus ascertained will determine the obligation of the bank to pay or its right to refuse payment, regardless of the fact whether the amounts deposited or the checks paid may have reached the bank ledger or not."

[TO BE CONTINUED.]

HON. JOHN JAY KNOX.

MEMORIAL ADDRESS.*

Mr. President, Gentlemen of the American Bankers' Association—

It is not my purpose to speak at length regarding the public services of the late John Jay Knox. Much has been already said and written, and well said and written in regard to his career, so closely interwoven with the financial history of this great country for over one-quarter of a century.

It is my purpose to say a few words more particularly in regard to his characteristics as a man, and as president of the bank which I have the honor to represent in this convention.

His character was formed in youth on a solid and substantial foundation, and was not changed by the stirring events of his maturity.

As a student in academies, and later in Hamilton College, he was thorough and exact. He was not contented with a mere superficial knowledge of any subject worthy of investigation. Having once entered the path of study, he pursued it to the end and mastered the subject completely. His habits were scholarly, and he was in sympathy with advanced thought in the field of education. He was a close analytical reasoner, taking nothing for granted, but proving all things. He was logical in all his processes of pure thinking, and when he finally reached a conclusion he stood there firm and unyielding as a rock imbedded in truth.

* By request of the executive committee of the American Bankers' Association, the above address was delivered by Mr. E. H. Pullen, vice-president of the National Bank of the Republic, of New York, at the recent convention of the association.

And yet, he was not obstinate or offensive in the advocacy of his opinions that were the offspring of his profound thought and exhaustive research. He was aggressive, but always observed the amenities and courtesies governing discussions between gentlemen.

He never condescended to sarcasm, satire or personality. He invariably gave his best attention to the consideration of the opinions that differed from those he entertained, and never allowed such differences to disturb friendly relations.

He courted the fullest investigation of any opinion he promulgated, and, far from fearing criticism, he invited it.

He was judicial in the constitution of his mind, keenly and almost spontaneously discriminating between the true and the false, a man of sound judgment, who was never for a moment attracted by the various financial heresies that presented themselves to public attention. While to many they seemed to present a solution of the various problems of the day, he never wavered in his allegiance to the sound principles of finance.

Looking back over the years, and comparing his earlier utterances with those of much later date, we are impressed with two striking facts: First, that he was consistent all through his active career, and stood at the close, as he did at the beginning, on the firm foundation of demonstrated truth in finance and political economy; and second, that he was unconsciously prophetic in his deliverances and premonitions. He was endowed with wonderful foresight, and yet his prescience was the natural result of his intuition.

He was an original thinker. He never plodded along paths and traversed fields that had already been repeatedly gone over, but he sought new paths, and fields hitherto unexplored, that he might bring to light hidden truths, undiscovered solutions, and remedies.

His annual reports as Comptroller of the Currency were always fresh and original, alive with thought, and suggestive. They are and will continue to be a valuable portion of our historical records, and will be used as text-books by the financial institutions of this country.

He adorned that office which he filled for so many years. The man was far greater and larger than the office; he honored and dignified it. He never used the office as a stepping-stone to other positions, and it was only when in the face of radical political changes that he was induced by the pressure of friendly influence to abandon the office that he had magnified by his incumbency to accept other and more remunerative employment for his talents and energies. He did not regard his office as political in its nature, but far above and beyond that, he regarded it as a sacred and delicate trust, involving the safety of millions of money, the welfare of hundreds of thousands of his fellow citizens of all classes and

conditions, and the honor and integrity of financial custodians all over this broad land.

He was in his official life anxious to save rather than to destroy, in favor of reconstruction rather than destruction. If any bank under his jurisdiction became embarrassed or insolvent, his first effort was to save it, if possible, either by scaling its capital down or by making an impairment good.

This same principle was observed in his service as bank president. He would extend every legitimate assistance to anyone in distress who deserved it, and who were worth saving.

He was a man of broad and tender sympathies. He would always lift a man up rather than contribute, even by the weight of a hair, to his downfall:

He walked among his fellow-men with an outstretched arm and open hand, ever ready to succor the distressed, strengthen the weak, uplift and rehabilitate the fallen, not only with words of cheer and encouragement, but by deeds of unobtrusive, unheralded beneficence.

He was a loyal man—he was loyal to the friendships formed in early life, that were inexpressibly sweet to him in the rapidly passing years. Over and over again he proved his devotion to the associations of his early manhood by kindly acts and generous efforts.

He was not quick, but indeed slow to extend his confidence and friendship. He took ample time to form his estimate of character, but when he once gave a man his confidence, esteem and friendship, it was nigh impossible to shake that confidence or alienate his friendly regard.

But alas! his loyalty and confidence did not escape severe tests. If one in whom he had placed confidence, and cherished as a friend, proved false, he suffered the keenest pain, and yet he was forgiving in spirit, and never retaliated.

He was loyal to himself, loyal to his neighbor, loyal to his country, and loyal to his God.

He was an honest man, not only honest in its technical meaning as to dollars and cents, but he was honest in a more comprehensive sense.

He was honest in his dealings with men into which dealings money did not enter. He never said one thing and meant another. He would never lead one to believe his statements, and yet by an ingenious and disingenuous ambiguity of words leave a loophole for double meaning.

He never attempted in his semi-confidential conversations with his competitors to get information from a man that he would use to his own advantage and the disadvantage of the other. It was impossible for him to deceive or to stoop to any act of indirection or duplicity.

While he made every possible effort to secure the accounts of new banks in process of organization, he never attempted to take business away from his neighbors.

He caused the bank to be well advertised and its several statements to be sent regularly to all the banks of the country, but never condescended to a systematic, persistent and continuous solicitation of business that was already confided to, and cared for by another bank. He had a loftier conception of the dignity of the office he filled.

He drew a large business to the bank of which he was the president; it came to him in a large measure unsolicited. The character of the man drew the patronage, without any effort on his part.

He was honest in that he made no promises nor held out any inducements to correspondents that he did not feel well assured he could make good under ordinary circumstances, and that he did not expect to fulfill.

He intended to put out pledges that he could and would redeem—pledges that were worth all they called for, worth intrinsically one hundred cents on the dollar. Such was his idea of a promise.

On assuming the presidency of the National Bank of the Republic, of New York, he found that it, in common with some other banks in that city, was in the habit of certifying or accepting brokers' checks in excess of their balances.

He had always, as Comptroller, reprehended this practice, and consistently declined to continue it in the institution of which he became the head, preferring to relinquish remunerative balances aggregating \$600,000 rather than do so.

His wisdom in this action was justified by an increased public confidence, an augmented deposit line, and a large appreciation in the stock.

As president he was a strict disciplinarian, expecting every man to do his duty, but he was not exacting or overbearing. He did not believe in cheap labor; on the contrary, his policy was to liberally remunerate good service. Neither did he believe in overloading a man with labor. He deemed it for the best interests of the bank that each man should be allotted an amount of work that he could do well and comfortably.

He regarded his subordinates from the highest to the lowest as important; vital parts of the machinery of the bank.

He respected each one, however humble his position, and regarded the working force as his associates and friends, and gave to them his entire confidence, and in this way stimulated them to an honest and thorough performance of duty.

He believed in caring for those who had devoted their lives to

faithful service, and yet he was specially desirous to help the young beginners, and strove to so supervise, instruct and encourage boys in his employ that in time they would be able to creditably fill higher positions—grow under his fostering care into good men and competent bank officers.

To-day twenty-five of the boys of 1884 are filling the more responsible positions in the institution he served so well.

He was a progressive man, always ready to avail himself of improved methods in the details of banking. He never failed to adopt such methods as were approved by his judgment.

During his administration as president of the bank he adopted the copyrighted system of bank accounts of which Edward White, treasurer of the New York, Lake Erie & Western Railroad, is the author.

This system was almost revolutionary in its changes from the old cumbersome, circumlocutionary methods, but experience has justified its adoption.

This remarkable man, this great financier, who had made finance his life-long study, who was familiar with the laws of the United States and each State on the subject, who had originated and framed acts that were passed, and for which he claimed no recognition, who was universally acknowledged as an authority on all financial questions—this man, with a mental storehouse full of knowledge, did not think that he had completed his education. Over and over again he said to the speaker that he could learn something every day, and that even with long, ripe experience, no man was too old to learn.

John Jay Knox was well known to the bankers of this land throughout its length and breadth; his name was a household word in all banks. He was for many years a prominent figure in these conventions—a large proportion of your number enjoyed his acquaintance, and many of you were his personal and intimate friends for years, and are much better qualified than I to address this convention in regard to his high character as a man, his transcendent genius as a practical financier, and his loyalty to every obligation of manhood and honor. Nevertheless, I have gladly availed myself of the opportunity so courteously extended to me, as the representative of the directors, officers and employees of the National Bank of the Republic, of New York, to pay this tribute of respect and kindly regard to our late friend, with whom for eight years we were associated, and whose efforts to build up the institution, to which he devoted the last and best years of his life, we seconded to the best of our ability—efforts that were crowned with abundant success.

He was taken from us so suddenly that we have not yet fully realized our great loss. We miss his genial companionship, his words of counsel and encouragement, and his guiding hand.

He sleeps quietly in Oak Hill, near the capitol, almost in the shadow of the department where he performed His great and historical work.

Why are earthly ties so often broken ?
 Why are sad farewells so often spoken ?
 " Let not your heart be troubled," God knows best.
 He giveth His beloved promised rest ;
 God knows best !
 God knows best !

FORGERY—EFFECT OF INDORSEMENT "FOR COLLECTION."

APPELLATE COURT OF INDIANA.

First National Bank v. Indiana National Bank.

A forged order for the payment of money drawn on plaintiff bank was indorsed in blank by the forger, and was discounted by defendant bank, and by it indorsed to its correspondent "For collection." Defendant's correspondent presented the order to plaintiff, by whom it was paid, and the money was remitted to defendant. *Held*, that defendant, by indorsing the forged instrument, gave to it the appearance of a genuine transaction, and plaintiff was entitled to recover the amount so paid.

NEW, J.—This action was commenced in the Tippecanoe Circuit Court, and the venue was changed to the Carroll Circuit Court. The appellant was the plaintiff below. The action is to recover money alleged to have been paid by the appellant to the appellee on a forged instrument of writing. The complaint contains two paragraphs. The first is as follows, the caption omitted: "The plaintiff complains of the defendant, and says that on the 4th of January, 1884, the defendant obtained from the plaintiff the sum of three hundred and forty-nine dollars and ninety-two cents by means of the following forged, fictitious, and counterfeit writing, to wit:

"\$ 25 92	Office of Township Trustee,
324 00	Franklin School Township,
	Montgomery County, Sep-
	tember 1st, 1882.

"This certifies that there is due from this Township to A. S. Griswold or order, three hundred and twenty-four dollars, payable out of the special school fund, January 1st, 1884, with interest at 6 per cent. per annum, payable at First National Bank, Crawfordsville, Ind. CHAS. JOHNSTON, Trustee Franklin School Township."

—Which said fictitious and forged writing said defendant indorsed and presented to the plaintiff at its banking house in Crawfordsville, Indiana, and received payment thereof in said sum above named from the plaintiff. The plaintiff further avers that said Charles Johnston was, September 1, 1882, trustee of Franklin School Township, in Montgomery County, Indiana, and was on January 4, 1884, a customer of the plaintiff, and had his funds and moneys deposited with the plaintiff, and had in the plaintiff's bank more than money enough to pay the aforesaid writing. Said defendant presented and caused to be presented to the plaintiff, at its banking house aforesaid, said writing, with the following indorsements on the back thereof, to wit: 'A. S. Griswold: Pay to the order of

B. Wasson, C., for collection for acct. of the Indiana National Bank, La Fayette, Ind., J. C. BROCKENBROUGH, Cashier'; and upon the faith of said indorsement of the defendant and agreement with said Johnston that said Johnston instructed plaintiff to pay off any note or order or warrant given by him as trustee, and that whenever he was in the city he would pay to plaintiff the money so advanced, the plaintiff, supposing the said writing and indorsement to be genuine, paid and took up said writing or note for the accommodation of said Charles Johnston as trustee, and paid said sum of money, to wit, \$349.92, to the Citizens' National Bank of Crawfordsville, Indiana, who held said writing or note for collection by virtue of said indorsement to said B. Wasson, who was, at the time of said indorsement, to wit, prior to January 4, 1884, and now is, the cashier of said Citizens' National Bank, and said Citizens' National Bank, as the collecting agent of the defendant, received said money so paid by the plaintiff, and paid the same to the defendant, in whose possession it now is, said defendant claiming the same as its own money and property. That the plaintiff did not know said instrument was a forgery at the time it was paid, and as soon as it learned the fact it notified the defendant. The plaintiff further alleges that previous to the bringing of this action, to wit, on January 31, 1884, it, the plaintiff, demanded said money, to wit, \$349.92, of said defendant, at the same time and place presenting the writing or notes as aforesaid set out at its banking house in La Fayette, Indiana, during banking hours, together with an affidavit of said Charles Johnston, such trustee, that said writing or note was and is a forgery, and was never executed by him; but the defendant refused to pay back said sum, or any other amount, or any part thereof. At the time of making said demand said plaintiff tendered back to the defendant said forged writing or note, then and there making it acquainted and informing it of the aforesaid facts. At the time said note was presented to the plaintiff for payment, it, the plaintiff, supposed said writing or note was a valid obligation, duly signed and executed by the said Charles Johnston, and, relying upon that supposition, and further relying upon the defendant's indorsement on said writing or note, then giving it currency and credit as a valid and subsisting obligation, it, the plaintiff, paid said sum of money to the defendant, or to its collecting agent, as aforesaid stated. Said writing or note is in fact counterfeit, false, forged, and spurious, and of no value whatever, and said Charles Johnston refuses to accept the same, or to extend to the plaintiff any money or credit by reason of said payment. Wherefore, on account of the aforesaid reason and facts, the plaintiff says said defendant is indebted to the plaintiff in the sum of \$349.92 for money had and received by the defendant for the use and benefit of the plaintiff, which sum is due and unpaid," etc.

The second paragraph is in form the common count for money had and received. The answer to the complaint is in two paragraphs, the first being a general denial. The second paragraph is as follows: "And for a further answer to the first paragraph of said complaint the defendant says that on the — day of June, 1883, the said A. S. Griswold, he being the same person who is mentioned in said complaint as the payee of said alleged certificate of indebtedness, was a person of good standing for integrity at the city of La Fayette, in the State of Indiana, and had been doing business thereat, and at the time aforesaid was introduced to the defendant as such by a gentleman of social and business standing and respect in said community, and in whom the defendant had full confidence. That at and before said time this defendant was a National banking association at said city of La Fayette, pursuant

to the act of Congress for the organization of National banks, and was engaged in the discounting of notes, bills, and other evidences of indebtedness, and also in a general banking business. That at the time aforesaid, and after the introduction aforesaid, the said Griswold offered to this defendant the certificate of indebtedness described in the complaint for discount, and asked the defendant to discount the same for value; that this defendant, believing said certificate to be genuine, and in all respects good and valid, and having theretofore purchased similar certificates, and having always found them to be valid, did purchase from said Griswold said certificate described in the complaint, and did pay him therefor the sum of three hundred and twenty-four dollars, and thereupon said Griswold did indorse said certificate to this defendant by writing his name across the back thereof, and did deliver the same to this defendant. That at said time said Charles Johnston, the apparent maker of said certificate, resided in the adjoining county of Montgomery, and his handwriting was unknown to this defendant. That at the maturity of said certificate the defendant, still believing that said certificate was genuine and valid, sent the same for collection to its correspondent and agent, the Citizens' National Bank of Crawfordsville, located in said county of Montgomery, and indorsed the same for collection. That on the day of the maturity of said certificate of indebtedness, to wit, on the 4th day of January, 1884, the said Citizens' National Bank, supposing the same to be genuine, presented said certificate at the banking house of said plaintiff, being the same place at which it was made payable, and said plaintiff thereupon paid the same to said Citizens' Bank, and it afterwards paid the same to this defendant. That afterwards, on the 31st day of January, 1884, and not before, said plaintiff notified this defendant that said certificate was a forgery, and that never before had this defendant any knowledge, information, or suspicion that said certificate was not genuine or invalid for any cause."

To this paragraph of the answer a reply was filed of two paragraphs, the first of which was a general denial. The second paragraph, in its leading averments, is not unlike the first paragraph of the complaint. We do not find it necessary to set it out. The cause was tried by the court, and at the request of the appellant a special finding of facts was made, with statement of conclusions of law, the latter being in favor of the appellee and excepted to by the appellant. Judgment was rendered in the appellee's favor for costs. The appellant assigns error upon the overruling of the demurrer to the second paragraph of the answer and upon the conclusions of law. The rule as generally stated in the decided cases is that a bank, in accepting and paying a check or paper presented to it, is held to know the signature of the drawer, and is not at liberty afterwards, in a controversy between it and an innocent holder, to dispute the drawer's signature. And therefore, if the signature of the drawer is, on a subsequent day, discovered to be a forgery, the bank cannot compel the holder to whom the payment was made to restore the money, unless the holder be in some way implicated in fault. This rule is founded upon the supposed negligence of the bank in failing by an examination of the signature, when the paper is presented, to detect the forgery, and refuse payment. The bank is presumed to know the handwriting of the drawer, and therefore, as between them, the bank must, because of its imputed negligence, bear the loss if the holder was innocent of contribution to the mistake. (*Price v. Neal*, 3 Burrows, 1,354; *Bank of United States v. Bank of Georgia*, 10 Wheat. 333; *Smith v. Mercer*, 6 Taunt. 76; *Bank of Gloucester v. Salem Bank*, 17 Mass. 33; *Bank of Commerce v. Union Bank*, 3 N. Y. 230; *Goddard v. Bank*, 4 N. Y. 147; *National Park Bank v. Ninth Nat. Bank*, 46 N. Y. 77; *National*

Bank of Commerce v. National Merchants' Banking Ass'n, 55 N. Y. 211; *White v. Bank*, 64 N. Y. 316; *Redington v. Woods*, 45 Cal. 406; *Bernheimer v. Marshall*, 2 Minn. 78 (Gil. 61); *Ellis v. Insurance Co.*, 4 Ohio St. 628; *Johnston v. Bank*, 27 W. Va. 343; *Rouvant v. Bank*, 63 Tex. 610; *Bank v. Ricker*, 71 Ill. 439; *Levy v. Bank*, 4 Dall. 234.) While the rule will generally be found thus stated, it is very manifest that the courts have shown a steadily increasing disinclination to extend by analogy the doctrine laid down in *Price v. Neal*, *supra*, and the cases following it, to other cases resting upon facts substantially different. Indeed, the rule as we have given it, and as it is generally found to be stated, has been rigorously assailed by standard authors as a rule too favorable to the holder, not the most fair, nor best calculated to effectuate justice between the drawee and the drawer. (2 Daniel Neg. Inst. (4th Ed.) §§ 1,361, 1,362; Chit. Bills (13th Amer. Ed.) §§ 431, 485; 2 Morse, Banks (3d Ed.), §§ 464-466.) In the case at bar the forged instrument, as appears by the answer, was put in circulation in the first instance by Griswold, the forger, he indorsing it to the appellee. For the purpose of obtaining the money on it, the appellee, after indorsing it, caused it at maturity to be presented to the appellant, and received the money on it. The responsibility of a bank under the rule we have stated is based upon presumption alone, and is decisive only when the party receiving the money has in no way contributed to or promoted the mistake or fraud. In the case of *National Bank of North America v. Bangs*, 106 Mass. 441, it is said: "In the absence of actual fault or negligence on the part of the drawee, his constructive fault in not knowing the signature of the drawer and detecting the forgery will not preclude his recovery from one who has received the money with knowledge of the forgery, or who took the check under circumstances of suspicion, without precaution, or whose conduct has been such as to mislead the drawee, or to induce him to pay the check without the usual scrutiny or other precautions against mistake or fraud. These exceptions are implied by the very terms in which the general rule is ordinarily stated. The case of *Ellis v. Insurance Co.*, 4 Ohio St. 628, is an express decision to that effect, and contains an able and thorough discussion of the subject. We are aware of no case in which the principle that the drawee is bound to know the signature of the drawer of a bill or check which he undertakes to pay has been held to be decisive in favor of a payee of a forged bill or check to which he has himself given credit by his indorsement." (See, also, *McKleroy v. Bank*, 14 La. Ann. 458; *Canal Bank v. Bank of Albany*, 1 Hill. 287; *Rouvant v. Bank*, *supra*.) The appellee's indorsement upon the instrument, whatever may have been the purpose of that indorsement, would tend to divert the appellant from inquiry and scrutiny, for it gave to the paper the appearance of a genuine transaction. The names of Griswold and the appellant on the back of the paper would apparently be inconsistent with any suspicion of a forgery of Johnston's name. The appellee was a bank doing business in an adjoining county. Its indorsement, following that of Griswold, would hardly fail to inspire ready confidence in the genuineness of the paper, as vouching for it.

It is not shown by the answer that to allow a recovery by the appellant will place the appellee in a worse position than if payment had been refused. In *Ellis v. Insurance Co*, *supra*, it is said: "To entitle the holder to retain money obtained by mistake upon a forged instrument, he must occupy the vantage ground by putting the drawee alone in the wrong, and he must be able truthfully to assert that he put the whole responsibility upon the drawee, and relied upon him to decide, and that the mistake arising from his negligence cannot now be cor-

rected without placing the holder in a worse position than though payment had been refused." The view that the drawee should be allowed to recover the money if the position of the holder has remained unchanged is advocated by Daniel and Morse in the references we have already given. (See, also, *Merchants' Bank v. National Bank*, 139 Mass. 513, 2 N. E. Rep. 89.) But, however this may be, we cannot say that the appellee's indorsement of the forged instrument did not in some degree induce the payment of the money. We do not think the allegation in the answer that the paper was indorsed by the appellee "For collection" can materially affect the question of laches. In the case of *National Bank of North America, supra*, the indorsement was for collection. (See, also, *Star Fire Ins. Co. v. New Hampshire Nat. Bank*, 60 N. H. 442.) It is averred in the answer that the payment was made by the appellant to the appellee on the 4th of January, 1884, and that the latter was not informed, nor did it have knowledge, of the forgery until the 24th day of said month. Notice and demand for restitution should be within a reasonable time. What is a reasonable time depends upon the circumstances of the case. Mere space of time is not important, unless it be made to clearly appear that the holder will be put to more liability, trouble or expense by a restitution then than if notice had been received earlier. In the present case the appellee had no indorser behind it but the forger, and, so far as can be known from the answer, any remedy which the appellee may have had against him remains unimpaired. The forged instrument paid off by the appellant was not negotiable according to the law merchant, although it purported to be payable at a bank. (*State v. Hawes*, 112 Ind. 323, 14 N. E. Rep. 87.) Such paper cannot be said to be taken or to circulate on the intrinsic credit of the instrument itself. This fact, as it seems to us, is not without some weight upon the question of promptness in giving notice. It is alleged in the complaint that the appellee was notified by the appellant of the forgery as soon as it learned the fact. We would not be justified in holding that the averment in the answer respecting notice is a good defense to the complaint. (See 2 Daniel, Neg. Inst. (4th Ed.) § 1,372; 2 Morse, Banks (3d Ed.) § 488; *Canal Bank v. Bank of Albany, supra*; *Rouwant v. Bank, supra*; *Ellis v. Insurance Co., supra*; *Bank v. Baldernick*, 45 Ill. 375.) The demurrer to the second paragraph of the answer should have been sustained. Having reached this conclusion, the special finding does not require attention. The judgment is reversed, with costs.—*Northeastern Reporter*.

CERTIFICATE OF DEPOSIT ISSUED BEFORE INCORPORATION.

SUPREME COURT OF UTAH.

Long v. Citizens' Bank.

A bank is not liable, even to an innocent holder for value, on a certificate of deposit issued before its organization or incorporation, and signed, as cashier, by the person who afterwards became such, there being nothing to show that the bank ever received any consideration therefor.

Nor can the promoters and subsequent officers of the bank, other than the cashier, be held liable on the certificate in the absence of allegations and proof that by fraud or negligence they aided in giving it currency.

BLACKBURN, J.—This is a suit brought on a certificate of deposit in

the usual form, purporting to be a certificate of deposit of the Citizens' Bank for \$1,000, payable to Hal W. Watters, signed "J. P. Barbour, Cashier," dated July 21, 1890. The evidence tends to show that the plaintiff purchased said certificate for value before the same became due, and that she is an innocent holder thereof for value. That a few men, including the defendants Robison and Johnson, early in 1890, agreed to form and carry on a banking business in Ogden, Utah. Some time during the summer they agreed among themselves that they would form a corporation, and do a banking business; that the defendant Robison should be the vice-president and general manager; and they talked of J. B. Barbour as cashier, and concluded that, if an arrangement satisfactory could be made with him, he should be cashier, and requested Robison to see him. Robison did see him, and a satisfactory arrangement was made; so that when the bank opened for business August 25, 1890, he was duly installed as cashier. The promoters of the enterprise did not incorporate until the 11th day of August, 1890, and completed its organization on that day, and opened for business on August 25, 1890. Nothing was done excepting procuring supplies, etc., in the way of banking, until August 25, 1890. On August 11, 1890, the officers of the bank were chosen. This certificate was issued at Kansas City, Mo., July 21, 1890, before the defendant bank was doing business, or open for business, and a thousand miles or more away from where it was to do business. The money given for the certificate of deposit, if any, never came into the bank after it commenced business. The court instructed the jury to find for the defendants, and they did. A motion was made for a new trial, which was overruled, and plaintiff appeals both from the judgment and order overruling motion for new trial.

Several errors are assigned for reversal. The most important is the instruction given by the court to the jury to find for the defendants. We think in this the court committed no error. No evidence whatever was given to bind the bank, for it had no existence until some time after the certificate of deposit was issued. It could not be a principal before it existed, much less have an agent. It is true that the promoters of the banking enterprise contemplated having Barbour for its cashier when the bank was fully organized, but he could not be a cashier until there was a banking institution to be a cashier for. The banking organization cannot be held liable for anything done by promoters before its existence. (*Railroad Co. v. Sage*, 65 Ill. 328.) In that case the court says: "A right of recovery against a corporation for anything done before it had a proper existence does not appear to rest on any very satisfactory legal principles." (*Deposit Co. v. Smith*, 65 Ill. 309; *Manufacturing Co. v. Cousley*, 72 Ill. 531; *Railroad Co. v. Ketchum*, 27 Conn. 170. Green's Brice, *Ultra Vires*, p. 475 *et seq.*, and note.) This is a suit alone on the certificate of deposit, and there are no allegations in the complaint to justify a finding or judgment against the defendant Robison, and the defendant Johnson was not served with process. To authorize a judgment against Robison, it is necessary to show that he in some way was party to the certificate of deposit, or by fraud or negligence aided in giving it currency; and it is also necessary that the facts constituting the fraud or negligence must be set out in the complaint. It is also contended by appellant that testimony was refused by the court to go to the jury. We think the testimony refused would not in the least have tended to change the result. And it is further contended that the motion for a new trial should have been sustained, supported as it was by affidavits of newly-discovered testimony. We think not. The newly-discovered testimony is of the same general

nature as that already admitted, and could not affect the legal result. We see no errors in the record. Judgment affirmed.

Zane, C. J., and Anderson, J., concur.—*Pacific Reporter*.

TRANSFER OF POSTDATED CHECK.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

Bill v. Stewart.

A *bona fide* holder of a postdated check who was told at the time he bought it from the payee that it had been given on an agreement that the payee should not use it until the day of its date, is not bound to understand by the word "use" that the check was not to be transferred before that date.

LATHROP, J.—The findings of fact of the judge, who tried this case without a jury, are conclusive, and cannot be reviewed by this court. A check is a negotiable instrument, and a holder of it in good faith, and without notice of any infirmity of title, is entitled to maintain an action upon it against the maker, although the latter has a good defense as against the payee. (*Ames v. Meriam*, 98 Mass. 294; *Bank v. Harris*, 108 Mass. 514; *Robertson v. Coleman*, 141 Mass. 231, 4 N. E. Rep. 619.) The fact that it is postdated does not take the case out of the rule. (*Currie v. Misa*, L. R. 10 Exch. 153.) The check in this case was obtained by the payee from the maker by fraud, and the burden of proof was upon the indorsee to show that he took it for value and in good faith before its maturity. (*Smith v. Livingston*, 111 Mass. 342; *Sullivan v. Langley*, 120 Mass. 437; *Bank v. Cushman*, 121 Mass. 490.) The judge found that the plaintiff was a *bona fide* holder, and the question is whether there was any evidence that he was such a holder, and whether he had sustained the burden of proof. It appeared that the plaintiff gave full value for the check, and there was evidence of all the circumstances attending the transaction. These were certainly evidence of good faith on his part. (*Sullivan v. Langley*, *ubi supra*; *Bank v. Savery*, 127 Mass. 75, 79; *Lee v. Whitney*, 149 Mass. 447, 21 N. E. Rep. 948.) The judge was therefore justified in his finding, and in refusing to give the second and third requests for instructions.

The remaining question is whether the first request should have been given. The defendant testified that, when he delivered the check to Dearborn, the latter agreed not to use the check until Monday, the day it bore date. The plaintiff testified that Dearborn told him, at the time he (the plaintiff) bought the check, that he did not wish him to deposit it until Monday, and that he had agreed with Stewart not to use it until Monday. The judge found the facts to be in accordance with this testimony, and further found "that the agreement not to use the check until Monday was, in effect, an agreement not to present it for payment until that time." Whether this is to be taken as a finding of fact or a ruling of law, it does not appear that it was wrong. The term "use" is a very indefinite one; and we cannot say, as matter of law, that the plaintiff was bound to understand by it that the agreement between the defendant and Dearborn was that the latter should not transfer the check. Unless the plaintiff was bound so to understand it, or did so understand it, the defendant has no ground of exception.

Exceptions overruled.—*Northeastern Reporter*.

LEGAL MISCELLANY.

BANKS—PAYMENTS OF DEPOSITS.—L. sold a consignment of fresh meat for plaintiff, and deposited the proceeds in bank in his own name. L. testified that he informed the cashier that the money belonged to plaintiff, and directed him to remit the same to plaintiff, and that the cashier wrote the word "meat" opposite the entry in L.'s pass-book, to show the character of the deposit. The bank applied the deposit to L.'s overdrafts. *Held*, in an action against the bank to recover the deposit, that the court erred in instructing the jury to find for defendant. [*Armour-Cudahy Packing Co. v. First Nat. Bank of Greenville, Miss.*]

GAMBLING CONTRACT—BROKER.—Plaintiffs deposited money with defendant, their broker, as margins on stock to be bought and sold in speculation by plaintiff's order. After several deals, an account was rendered, and the profits paid over to plaintiffs, leaving in defendant's hands the amount of the original deposit, subject to plaintiffs' further order, which defendant afterwards refused to pay to plaintiffs: *Held*, in *assumpsit* therefor, that though the buying and selling of the stock on margins might have been illegal as gambling transactions, as the transactions had been closed, defendant was liable for the amount remaining in his hands. [*Peters v. Grim, Penn.*]

NEGOTIABLE INSTRUMENT.—A note reciting that "we, the T. P. Company, promise to pay," etc., and signed by each of defendants as president and secretary, respectively, is the obligation of defendants, it not appearing whether the T. P. Company was a corporation, a partnership, or a voluntary association of persons. [*Day v. Ramsdell, Iowa.*]

NEGOTIABLE INSTRUMENTS—INDORSEMENT.—When the back of a note is covered by various indorsements, an assignment of the note, written on a piece of paper pasted to the note, will pass the legal title. [*Brown v. Bookstaver, Ill.*]

PAYMENT BY DRAFT—FAILURE TO COLLECT.—Where defendant sent a draft to plaintiff to be credited as a payment on account, and plaintiff was not guilty of laches in his efforts to collect the same, and, failing to make a collection thereof, returned it to defendant within a reasonable time thereafter, plaintiff's account is not chargeable with the amount of such draft. [*Edwards v. Harvey, Colo.*]

BANK—COLLECTIONS.—A bank which had received a draft for collection sent it to its correspondent bank at the residence of the drawee, and the draft was paid to such correspondent. There were no mutual accounts between the two banks, but it was the custom of the correspondent to remit the proceeds of collections at stated periods: *Held* that, until this remittance was made, or the principal bank had given the original owner of the draft credit for the avails, the original owner of the draft, as the owner of the proceeds thereof, was entitled to recover them from the correspondent bank. [*National Exch. Bank of Dallas v. Beal, U. S. C. C., Mass.*]

CORPORATIONS—PRESIDENT.—The president of a corporation has no power, without the authority of the directors or stockholders, to consent to the appointment of a receiver to wind up the affairs of the corporation. [*Walters v. Anglo-American Mortgage & Trust Co., U. S. C. C., Neb.*]

NEGOTIABLE INSTRUMENT—CONTRACT TO FORBEAR.—A contract to forbear to sue on a note for a definite time, for a valuable consideration, cannot be pleaded in bar to an action on the note before the time of forbearance has elapsed; the only remedy being an action on the covenant for damages. [*Brown v. Shelby, Ind.*]

NEGOTIABLE INSTRUMENT—LIMITATIONS.—When it appears upon the face of a note sued on that it is barred by the statute of limitations, and the only evidence that it is not barred consists in alleging promises in writing to pay made within the statutory period, and such alleged promises are denied under oath, the plaintiff is not entitled to a judgment on the pleadings; and the fact that the defendant added to his said denial under oath the plea of payment within the statutory period will not entitle the plaintiff to a judgment on the pleadings. [*Smith v. Beeler, Kan.*]

ALTERATION OF NOTE.—Where a note indorsed by defendant, and payable in four months, was offered for discount to plaintiffs, who refused to accept it unless it was made payable in 90 days, with an additional indorser, and the note was afterwards offered to them with the words "ninety days" written over the words "four months," with the name of another indorser added, which alteration was made without defendant's consent, the alteration must be deemed to have been made at plaintiffs' suggestion, and, without any explanation, is inadmissible as evidence in an action thereon against defendant. [*Hartley v. Corboy, Pa.*]

CORPORATION—STOCK.—Certificates of stock issued by the president of a corporation on the authority of an executive committee appointed by the directors out of their number, but without having been authorized or ratified by the directors, confer no rights on one who is not a *bona fide* purchaser for full value. [*Ryder v. Bushwick R. Co., N. Y.*]

NATIONAL BANKS—TAXATION.—Where a National bank is taxed for lands paid for out of its capital stock, the assessment upon its capital stock should be made after deducting from its cash value the value of such real estate. [*First Nat. Bank of Albia v. City Council of Albia, Iowa.*]

NEGOTIABLE INSTRUMENT—CONTINUANCE.—In an action upon a note executed by defendant payable to her own order and by her indorsed in blank, an affidavit for continuance on account of her illness, which states that defendant would testify that the note was for the accommodation of a third person, who was to use it as collateral, and return it to defendant at or before maturity, and that the plaintiff had notice of the character of such note, and of the purposes for which it was executed, is insufficient, since it fails to show any defense to the note. [*Hodges v. Nash, Ill.*]

PARTNERSHIP—COMMERCIAL PAPER.—A partnership organized "for the purpose of carrying on the business of sawing lumber, pickets, and lath," is "non-trading" in character, and an individual partner has no right, as a matter of law, to execute a note in the name of the firm without the knowledge of his copartners, in the absence of express authority, or a course of dealing from which such authority can be presumed. [*Dowling v. National Exch. Bank of Boston, U. S. S. C.*]

BANKS—DEPOSIT.—Where the amount sued for was an alleged deposit entered in plaintiff's pass-book by defendant bank, and plaintiff's account as contained in such pass-book was placed in evidence, the court properly instructed the jury that they might "consider the position of the account as shown in that book, and the manner of placing it as you have seen it on the book." [*First Nat. Bank of Porter County v. Williams, Ind.*]

THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION.

The convention of the American Bankers' Association was held at San Francisco on the 7th and 8th of September, President Nelson presiding. When the convention had been called to order he called on Dr. Stebbins, whose invocation, while not lengthy, was replete with appropriate references and the evidence of deep feeling. While he prayed the delegates and spectators stood up in their seats, whether on the stage or in the body of the house.

As the calling of the roll was not deemed necessary, President Nelson introduced John McKee, manager of the Tallant Banking Company, who delivered an address of welcome.

Mr. McKee's brief address began with a reference to the many years of American history that passed while California remained practically an unknown land, sealed from the world and awaiting the hour when, in the wisdom of Providence, it should be thrown open to add an immense extension to the territory dominated by the flag which had already become the emblem of human liberty and the equality of man.

Continuing, he touched upon the importance of the themes to be discussed during the session of the convention, and after bidding the visitors cordially welcome, he closed by regretting the unavoidable absence of Governor Markham, owing to the latter's illness, and introducing in the Governor's place General W. H. L. Barnes.

GENERAL BARNES' ADDRESS.

A burst of applause greeted General Barnes as he stepped forward and almost his first words called a "common light of smiles" to the faces of his auditors.

"It seems an extraordinary thing to me," he said, "to be called to address an assemblage of bankers—we who have so often found it so difficult to address a single banker—an effort, by the way, which I have never made but on repeated and most urgent invitations from the bankers. [Laughter.] And right here I would state that if I had my way I would entirely abolish the use of red ink in bank books. It looks bloody and is calculated to give a man a cold chill." [Laughter.]

Continuing, General Barnes gave a most poetical account of the first coming of the soldiers of Cortez to the limits of California, which they named from the fabled paradise of an old-time Spanish romance, and then passed on to a reference to the attractions of the State, which he made brief, however, and not without giving an explanation for it.

A CALIFORNIAN WEAKNESS.

"Californians are a little conceited, there is no doubt," he said. "In fact, there is no doubt but that the average Californian has an undefined but very fixed idea that he had something to do with the scooping out of the Yosemite Valley and the planting of the big trees, and he thinks, too, that the climate of California depends a good deal on the breath from his own nostrils, and that he is also in some strange manner the progenitor of every big pumpkin ever raised in the State."

General Barnes closed his address with graceful and cordial words of welcome, and sat down finally amid a burst of laughing applause, caused by his expression of the hope that his hearers would not on their visit here repeat the experience of the hero of the story. "He went to a

neighboring town." said the speaker, "for change and rest. But, as he declared afterward, the waiter got the change and the landlord got the rest."

PRESIDENT NELSON'S REMARKS.

In response to General Barnes and Mr. McKee, President Nelson replied on behalf of the association.

"You gentlemen of California must not think," he said, "because of the paucity of our numbers here to-day that we are not a big thing. There are 2,100 of us, and the few you see here are simply our best. Conceived at Saratoga, we were born at Philadelphia—born at the time when all the nations of the earth gathered there on the occasion of the great Exposition. And speaking of this gathering of the people from other lands, it occurs to me that perhaps many of them came with the idea of seeing a crippled country. We had not long emerged from the shadow of our great national conflict, and I can imagine their surprise when they found that we were once again a united people and that the American eagle, standing with one foot on the Atlantic and the other on the Pacific shore, with its beak in Canada and its tail in Mexico, could still squawk." [Applause.]

Continuing, President Nelson gave an account of the growth of the association and the different annual conventions which had been held from time to time, leading up finally to the present date and the visit to California. He warmly thanked the representatives of California for the cordial welcome which had been extended to himself and his associates. He hoped when any of them went East they would be as kindly received.

Upon the conclusion of the response President Nelson announced that the next thing on the programme was an annual address from himself. "But I should think," he said, "that you had had about enough of the president, so the annual address, I can promise you, will be very brief."

He kept his word, devoting much of his further remarks to a reference to the inroads which death had made in the ranks of the association, no less than 300 of whose members had died during the past year. Among them had been the lamented first vice-president of the association, John J. Knox, for years prominently identified with the growth and progress of the organization. Of this gentleman more would be said during the session of the convention, President Nelson announced, by those who knew him best.

FINANCIAL EDUCATION.

President Nelson closed his address by introducing Professor Edward J. James, of the Wharton School of Finance, University of Pennsylvania, who was on the programme to speak on "The Higher Education of Business Men in Europe and America."

The needs of modern business life, the interest of the community, the welfare of education itself demand the incorporation into our system of schools of adequate facilities for the education of the future business man.

This means first the development of a new institution, the Commercial High School, now absolutely unknown with us, but well developed in most continental countries—a school whose course shall run parallel with that of the existing Literary High School, such as is to be found in nearly all of our American towns and cities, and also parallel with that of the Manual Training High School, such as has been recently developed in Chicago, St. Louis, Philadelphia, New York and other cities. This is not at all the ordinary so-called commercial college,

which deals chiefly with facilities, but an educational institution with educational ends pure and simple in view. It differentiates itself on the one hand from the ordinary Literary High School by giving little or no attention to the ancient languages, and from the Manual Training High School on the other by giving little or no attention to the mechanic arts, devoting the time thus gained to a study of commercial geography, the history of commerce, trade and industry, the development of modern business methods, etc.

WHAT IS PROPOSED.

This kind of school will set toward business as immediately as the Literary High School sets toward the professions, or the Manual High School sets toward engineering and the mechanic arts.

This development means further the multiplication in connection with our existing colleges and universities of schools of finance and economy, which may serve in the field of higher business education the same purpose as is served in parallel fields by schools of law, medicine, theology, engineering, philosophy, etc. These schools of finance and economy will offer to young men who expect to go into business a college course which, while it gives them the education of a gentleman, will not, by all its tendencies, lead them away from a business to a professional life. It will, on the contrary, confirm their bent by increasing their interest in business life as they come to see how fundamental and important business methods and processes are. They will, moreover, greatly benefit our colleges and universities by drawing within the scope of their influence whole classes of our society which are now indifferent, to say the least, to their welfare and progress. They will finally benefit the community as a whole by tending, so far as their influence may reach, to develop an *esprit de corps*, a sense of the dignity of business, a broad conception of industry, a higher standard of business ethics, and a public spirit which cannot but show themselves in a thousand ways to the advantage of society as a whole.

MANUAL TRAINING HIGH SCHOOLS.

The policy here advocated is simply another step in the development of our American educational system, in close harmony with all that has gone before, and is, indeed, merely a logical outcome of previous progress. This fact is illustrated in the domain of secondary education by the rise of the manual training high school, which, without neglecting the general or liberal training of the boys, gives opportunity to become interested in the domain of the mechanic arts, and to acquire the general principles underlying them. Its instant and undoubted success points the way along which farther progress is to be achieved.

There is another great class in the community which sees in neither of these high schools anything of sufficient value to make it worth while to send their boys to them. A commercial high school could do for this class what the other two high schools did for the classes which patronized them, and there can be but little doubt that were such a high school established to-day in any of our medium-sized or larger towns it would be filled to overflowing.

EXISTING SPECIAL SCHOOLS.

That the policy advocated is simply a logical development of our American system can be seen in the domain of higher education; also, by a simple glance at the rapid multiplication of special schools or courses in our colleges and universities. Where a little more than a century ago the only class seeking a higher education at all were the boys looking forward to teaching and theology, with a few of those look-

ing to the other learned professions, to-day the American university of broad foundation bids the future lawyer, physician, clergyman, dentist, musician, veterinary surgeon, architect, teacher, civil engineer, mining engineer, chemist, physicist, etc., welcome to its halls, and offers each not only the advantages of a liberal education, not only history and literature and language, those things in which all men as men are interested, but also a special feast set for them alone with reference to their peculiar needs and future careers. A few of them have begun to do the same for the future business man. We ask your aid and help in encouraging the others to do likewise, only wishing and praying that they may do it better.

Upon the conclusion of Professor James' address the thanks of the association were voted him, and the address was ordered printed.

A MEMORIAL ADDRESS.

Mr. E. H. Pullen, vice-president of the National Bank of the Republic, New York City, was then introduced and delivered an eloquent memorial address in honor of the late John J. Knox, formerly first vice-president of the association, which will appear elsewhere.

Mr. Pullen was thanked by a rising vote for his address, which the secretary was instructed to have printed in the proceedings of the convention.

THE SECOND DAY.

The first business of the day was the announcing of the Nominating Committee by President Nelson, following being the names of its members:

J. K. Ewing, of Pennsylvania; J. A. Moore, of Alabama; Thomas S. Ridgway, of Illinois; B. W. Hyde, of Connecticut; S. A. Baxter, of Ohio; A. D. Childress, of California; and F. M. Wade, of Washington.

President Nelson then stated that the Nominating Committee would be called on to suggest the names of members of the association for president, vice-president, treasurer, secretary, and seven members of the executive council.

THE CANAL INDORSED.

The report of the executive council in relation to matters referred to it since the beginning of the session was then presented, the chief interest of the convention centering in the report made in relation to the Nicaragua Canal matter, which, as will be remembered, had been commended by the California bankers to the attention of the National body. The action recommended on the matter by the executive council was embodied in the following resolution:

Resolved, That this association most heartily commends to the American people the construction of the Nicaragua Canal under American governmental control.

The reading of the resolution was greeted with a burst of applause, and it was immediately adopted by unanimous vote.

J. W. Treadwell, editor of the *California Bankers' Magazine*, was then introduced, and read a paper entitled "Proposed Remedies for the Evils of the Present Paper Issue of the United States, for the Present Low Price of Silver and for the Present Political Banking." Following are extracts:

"The present credit paper system of the United States consists of eight kinds of currency, issued by the politicians in violation of the constitution and of all the laws of banking, because the constitution only authorizes Congress 'to coin money, and to regulate the value of the coin,' *i. e.*, to the market price; also because a true bank note has all

its value behind it, one part in coin and the other in visible and tangible assets, and it is all payable in the terms of its face, while the paper of the United States is partly based on silver, depreciated to two-thirds value, without any visible tangible assets to cover the other one-third. The greenbacks are based on gold as \$1 of gold to \$3.50 of notes, or without any visible assets to cover the \$2.50, thus leaving \$246,000,000 uncovered by anything.

"The National bank notes are based upon paper bonds only, and on their market value, the whole of the coin having been spent by the Government. These notes are all false because of their basing, and also because they are not payable in terms of their face.

"The silver notes and certificates are payable in gold, the greenbacks in gold, though the gold or its full value is not there, and the National notes in gold, though only the bonds are there. These existing issues should be funded into a debt, which they really are. The effect of funding the existing \$650,000,000 paper money will be to create a large hole in the circulation, which can only be filled with silver. The sudden demand for so many hundred millions of silver will raise silver to par almost at once.

"Until it rises to par the mint can coin what silver is needed for business by buying it at a discount, and as soon as par is reached and a further supply is wanted that will be practically free coinage."

Mr. Treadwell's remedies did not suit the great majority of the members of the association who were present, and it was voted almost unanimously to lay the paper on the table, and not to print it in the proceedings of the convention.

SPEECHES AND REMINISCENCES.

President Nelson then read one by one the names of the various States, inviting their official delegates to make such remarks and present such suggestions as they saw fit—an invitation to which several gentlemen responded, a few of them having constitutional amendments to suggest. Among the most important was one submitted by a delegate from Kansas City, Mo., who proposed that hereafter the president of each State association should be the vice-president of the National body for his State, and that the delegate from each State association to the National association should be *ex-officio* a member of the executive council.

This amendment, as well as the other proposed changes in the constitution, was ordered referred to the executive council for the time.

Most of the gentlemen who spoke, however, contented themselves with giving pleasant greetings from their respective States to the members of the convention, or indulged in reminiscences. One of them was A. W. Brockway, a venerable gentleman, now a resident of Brownsville, Tenn., but once a Californian, a '49er, in fact, and the builder of the first brick house in Sacramento. His remarks upon old-timers upon this coast and the subsequent development of the Pacific slope were listened to with much interest.

PROPOSED REORGANIZATION.

Delegate Wheeler, representing the State Bankers' Association of Washington, proposed, when the name of that State was called, the scheme of complete reorganization already referred to, the proposition being that hereafter the membership of the American Bankers' Association shall be composed of one delegate from each State organization, and one more for each 100 or fraction of 100 members in such State organization. As it is now, not only is each State association represented in the National body by a delegate, but as many more bankers of that State as desire to join such National body are eligible.

The matter was referred to the executive council for preliminary consideration, with instructions that a copy of the proposed amendment shall be furnished each State association before the time comes to take action in the matter at the next annual convention of the National body.

Delegate Northrop, of Wisconsin, presented resolutions adopted by his State association condemning the proposed reorganization scheme, also condemning the Bland bill and the existing three days of grace system.

These resolutions were also referred to the executive council.

Mr. Thompson, of Tacoma, invited all the Eastern members of the association to return homeward by way of Washington, "a State to which God Almighty has given so much that it has nothing now to ask of Congress."

The invitation was received with much applause.

OFFICERS ELECTED.

At this point the Nominating Committee made a report, recommending the election of the following officers and members of the executive council: President, Wm. H. Rhawn, of Pennsylvania; first vice-president, M. M. White, of Ohio; executive council—Morton McMichael, Jr., of Pennsylvania; Richard M. Nelson, of Alabama; E. H. Pullen, of New York; Thomas Brown, of California; Frank W. Tracy, of Illinois; William Dawson, of Minnesota; William T. Dixon, of Maryland; and Tom Randolph, of Texas.

The officers nominated were elected by a unanimous vote of the convention.

The chairman of the Nominating Committee explained that the vice-presidents, which should be appointed to represent each State association, could not be appointed until the delegates from such State associations should make their wishes in the premises known.

STATE BANK CIRCULATION.

In the absence of Michael D. Harter, Congressman from the Fifteenth Ohio District, a paper prepared by him in favor of the repeal of the 10 per cent. Federal tax on "State Bank Circulation," was read by Mr. G. A. Van Allen, of Albany, N. Y.

Mr. Harter had entitled his paper "A Panacea for Free Coinage, Fiat Money and Other Financial Vagaries," and in one of his opening paragraphs he thus assaults the issue of legal tender notes:

"That the original issue of legal tender paper money was a most stupendous mistake all competent students, all conservative, practical thinkers will now admit. They entailed upon the nation collectively and individually tremendous loss during the war, aggregating at least \$800,000,000 for the nation and perhaps directly and indirectly \$2,000,000,000 upon the individual citizen. . . . Our present deplorable condition in connection with silver, which we shall not emerge from for many years, nor without losses aggregating possibly \$200,000,000, or even more, even if we escape the added losses and overwhelming disaster of a silver basis, is justly chargeable and easily traced to issue of paper notes on certificates designed to circulate as money; for if we had paid full silver bullion purchases with silver dollars, after \$60,000,000 to \$67,000,000 had been paid out, there would have been neither market nor demand for them, and silver bullion purchases would have come to a natural end, and to-day we would not be loaded up with a vast store of practically worthless metal for which there is no market, either on the earth, nor above, nor beneath it."

Mr. Harter's paper included a copy of a bill proposed by him in Congress, designed to provide for the issue of circulating notes of National banking associations upon securities other than United States bonds, and for the taxation of the circulating notes of National and State banks and for other purposes. In this bill he seeks to authorize the issue of an unlimited amount of circulating notes by any National banking association, it being only provided that such notes shall at no time exceed ninety per cent. of the par value of the bonds deposited to secure the same by such association.

THE OTHER SIDE.

Upon the same subject, but on the opposite side of the question, a paper was read by Mr. Frank Miller, cashier of the National Bank of D. O. Mills & Co., at Sacramento, Mr. Miller opposing the proposed repeal of the United States 10 per cent. tax on State bank issues.

He asserted the world-wide effort to displace silver, and quoted the intent of this country to maintain the bimetallic standard by means of an international conference; also he said this nation and others need the issue of governmental paper money to accomplish the carrying of silver. State bank issues, although not legal tender, would compete with and displace silver notes; the Government would then have to discard silver. National bank circulation should be retired, to make room for silver notes, but the system of National banks should be retained.

The constitution of the State of California says: "No one shall issue or put into circulation as money anything but the lawful money of the United States."

The quotation from the constitution was received with a burst of applause.

Mr. Miller spoke as follows:

The money of the world is now going through a most remarkable change. It is said there is in use 3,600 millions of gold and 3,900 millions of silver. Some of the great nations, such as England and Germany, hold much less silver than gold. Our own country and France carry their full share, about half in each country being gold and the rest silver.

Around the earth for many years there has existed a mania to be rid of silver and to get gold. The loss thus far amounts to one thousand millions of dollars on the depreciation of the white metal, and yet it is admitted by all authorities that the combination of the two kinds of coinage is a necessity in every system.

We are the largest producers of silver, and our output is increasing. Our Government is buying immense amounts of bullion to stay the panic, and has issued its negotiable paper to circulate as money, thus asking its citizens to assist in bearing this great burden. Our efforts are in vain. The two great political parties have resolved wisely that the only hope for the future is to assemble an International Congress, with the intent to secure united action by the whole civilized world.

If each nation will maintain a subsidiary coinage of silver to the extent of one-third or one-half of its whole coinage, then the equality of the metals will be restored. To do this they must all issue paper, just as we do, and keep the bullion largely in reserve and uncoined.

At this critical moment some of our own citizens are moving in a plan which will destroy this supreme effort. Uncle Sam has a monopoly of the issuing of paper, and the scheme is to have him abandon that sole prop of the silver struggle and to allow members of his family to sell in the loan market, in competition with him, their own private obligations,

based on their personal assets. The dollar of Ohio will be either better or worse than, or equal to, the dollar of the United States. If it is worse, then it will be a nuisance. If it is equal, or better, then it will displace many of the gold notes and silver notes of the nation, and thus weaken our efforts at home and abroad which are to maintain the gold standard, and to attach thereto and carry almost an equal stock of silver. Since the war, State banks have greatly increased in number and prospered; the ten per cent. tax has helped rather than retarded them. They circulate and carry large sums of silver and silver notes; so large are these sums that if they resume State issues, silver will go to the wall and a loss of hundreds of millions will follow.

It is true that only a portion of the State banks would use the right to issue notes, but those which did would unfavorably affect those which did not.

The National bank circulation should be retired and superseded by silver notes. The system of National banks should be retained, and each bank be compelled to carry in vault silver or silver notes equal to five per cent. of deposits. These banks now carry thirty millions and can easily take one hundred millions more. They are of the people, and among the people, and still subject to the Acts of Congress. They can execute the purpose of the Government, which is to allow no sudden change or damage to befall the country. Our Government can safely issue all the paper money, provided that it shall not be legal tender from the Treasury to the people, but that it shall be legal tender in all other cases; thus following the law on Bank of England notes, which notes are not legal tender from the issuer.

The men who made this State of California came from all parts of the Union. They had had much experience with the State issues prior to 1860, and knew that no State could make its citizen's note a legal tender. They believed in squarely coming up to, and supporting, that clause of the United States Constitution which says that no State shall emit bills of credit. As a result of their combined experience I can speak from authority and say that the people of California will attack and discredit all State bank issues.

Let all the States of the Union listen to and copy these loyal and honorable words of the California Constitution:

"No one shall issue or put into circulation as money, anything but the lawful money of the United States."

VERBAL ARGUMENTS.

The papers of both Mr. Harter and Mr. Miller were ordered printed in the proceedings of the convention.

Verbal remarks upon the same subject were made by Mr. Widney, of Los Angeles. He held that Mr. Harter's proposition was to make money out of something which had no actual legal tender value whatever. It was the fiat of the Government that made money, whether out of silver, paper or anything else.

Frank G. Newlands also spoke. Referring to the panic of 1873, he stated that it was caused by the demonetization of silver—a precious metal that had been used as money since time immemorial. Yet the blow was struck, and struck first by the country most interested in its production. Further than this, the Government took this opportunity to contract its artificial currency, the issue of greenbacks, by directing the Secretary of the Treasury to retire them as they came into Government possession. This was done until \$300,000,000 had been taken out of circulation. He suggested that it was now time for the country to

retract from its unfortunate position and to make silver equal in value, by restoring its use, with all other Government circulating medium.

To obtain the sense of the convention, Mr. Widney moved that it be declared that a State bank issue is not a desirable or safe money medium. On a rising vote there were fifty-five in favor and none against the adoption of the motion.

THE WINDUP.

Retiring President Nelson then introduced President-elect Rhawn, of Philadelphia, stating that his merits were only equaled by his capacity for work and his good looks. With these words Mr. Nelson handed over the gavel, which President Rhawn accepted with a few words of thanks, assuring the members of the association that he should endeavor to do his duty.

The convention then voted its thanks to the California bankers and to the proprietor of the California Hotel and adjourned *sine die*.

The next meeting of the convention will be held in Chicago.

MEETING OF THE GEORGIA BANKERS.

On September 14, in response to a letter sent out by Mr. Mills B. Lane, vice-president of the Citizens' Bank, of Savannah, Ga., to all the bankers of Georgia, requesting them to meet in session at Macon, Ga., for the purpose of effecting a State organization, over one hundred responses were received approving of the meeting and heartily indorsing the formation of such an organization for the mutual benefit and protection of the banking interests of the State.

The bankers met in the parlors of the Hotel Lanier and were called to order by Mr. Robert H. Plant, vice-president of the First National Bank, of Macon. On motion, Mr. Plant was elected temporary chairman, and Mr. L. P. Hillyer, cashier of the American National Bank, of Macon, as secretary.

The following list of officers was recommended and duly elected unanimously by the convention for the ensuing year :

President—M. B. Lane, Savannah.

First Vice-President—R. H. Plant, Macon.

Second Vice-President—T. B. Neal, Atlanta.

Third Vice-President—W. H. Brannon, Columbus.

Fourth Vice-President—E. P. S. Denmark, Quitman.

Fifth Vice-President—C. G. Goodrich, Augusta.

Secretary—L. P. Hillyer, Macon.

Treasurer—J. W. Cabaniss, Macon.

Executive Committee—John A. Davis, Albany; Frank Sheffield, Americus; W. E. Burbage, Brunswick; R. J. Lowry, Atlanta; B. I. Hughes, Rome; B. S. Walker, Monroe; H. T. Shaw, Madison; J. G. Rhea, Griffin.

Mr. Jacob Haas, of Atlanta, chairman of the committee on constitution and by-laws, was called upon to report, and, after much discussion and some pleasantries, they were adopted, and which, with the exception of a few changes, are identical with the constitution and by-laws of the Tennessee Bankers' Association.

The constitution provides for the general purposes and membership of the association, which is open to all banks and bank officers or persons in the banking business, each bank being allowed one vote at

annual meeting. The business of the association is left mainly in the hands of the executive committee, and will include all action tending to benefit the banking system of the State.

The by-laws provide for a membership fee of \$10 for all banks and \$5 for individuals.

After the adoption of the constitution and by-laws, a resolution was introduced by Mr. Burdell, of Savannah, providing for the amendment of the State banking law and the establishing of a special bank examiner, whose duty it shall be to examine banks at least once a year, and at the request of three State banks.

An interesting discussion arose in regard to the present mode of examining the banks of the State. The manner in which the examinations are conducted at present was said to be very unsatisfactory and inequitable in comparison to the advantages derived by the National banks over the State banks.

The question was finally disposed of by the adoption of a resolution offered by Mr. Burdell, to the effect that the association, through its executive council, confer with the State Treasurer and endeavor to perfect the bank examinations and reports called for by the laws of this State.

At the request of President Lane, Mr. L. P. Hillyer, of Macon, read the following paper on the par-point system, of the folly of banks making collections without charges, showing that in numbers of cases the cost of stationery, clerk hire and postage makes the present system of collections an absolute expense to nearly all the banks in the State.

The most important things for a speaker to do are to adapt himself to the circumstances around him, and to speak in a manner that will entertain his hearers. Bankers, as a rule, waste very few words themselves, and are very attentive listeners, so long as what they hear is to the point. As I am to discuss the subject of "Collections," I will waste as few words as possible, and proceed with my text.

Banks all over these United States, from Maine to Texas, and from Florida to Oregon, are clamoring for "collections." In years past a certain Napoleon of Finance invented a scheme by which he could get all the items coming to his bank collected for nothing. He called his system the "par-point" system. He was enabled to tell his depositors and the depositors of other banks that he was prepared to collect for nothing. This was his "Marengo." He won the fight and gained for his bank enormous deposits by his generalship. Other financiers learned his tactics and then began a war to the knife. His competitors not only met him on the "par-point" idea, but went him "one better" by selling exchange at par. Then followed numerous ways in which to obtain and to hold depositors, such as allowing interests on deposits, furnishing customers with check-books, bank drafts and notes, and various other little odds and ends that serve to eat up hard-earned profits. Some city banks pursue this cut-throat policy so far as to hire a man to go around the city every morning and take deposits from the merchants direct, as the mail-carrier takes their mail. I mention these facts, because I believe they came about by reason of the demoralizing and disorganizing invention of "par-points." Nearly every city has had its "Financial Napoleon." Look at the undivided profit account of the various bank statements when published, and you will see his fine Corsican hand. You will see the result of that stupendous and visionary scheme—"par-points." These Napoleons, lured on by their Marengo victory, force others to join them in their scheme, and it is only a question of time when "par-points" will prove their "Waterloo." Millions of dollars have been made out of the collection business in years past, but as this

unwise system of par-points increases, the profits on collections decreases. Numbers of bankers in Northern and Western cities have told me personally that collections now are positively an expense, where they used to be very profitable. We Georgia bankers have not felt the terrible influence of this "working-for-nothing" business like our brothers in the North and West. They are very much better able to stand it than we, because of their enormous deposits. A bank up North with \$500,000 capital and \$5,000,000 deposits can make good dividends and not charge a cent for collecting. But we do not have banks of that kind in Georgia. If the best bank in the State should agree to collect everything for nothing and give away its stationery, with a chromo thrown in, its deposits would not amount to five millions of dollars. There is not a bank in this State but will feel the effects of free collecting. Let us see by figuring a little how free collecting works. Say, for instance, a merchant keeps an average daily balance of \$3,000—and that is a mighty fine balance for a Georgia merchant to keep. At six per cent. per annum that balance is worth to the bank \$180. Add to this \$150 for the \$100,000 of exchange you sell him—and this is a liberal amount—and you have \$330 as your profit on the account. Now let us see what the expenses are to keep that account. His daily deposits will average, say, \$1,000; \$50 of this is in currency, \$150 in silver—which is almost dead capital—and the rest, \$800, is made up of checks and drafts covering every point of the compass. If you send them direct, it will cost you $\frac{1}{4}$ of 1 per cent., or \$2, to collect them. If you take advantage of the par-point idea, and send them to some enterprising (?) bank in a neighboring city, who takes the world at par, by the time you hear from your \$800 the \$2 is made up in interest. At the end of the year you are out \$730 for collecting for this one merchant. Subtract your profit of \$330 from this and you have \$400 as a dead loss on the account, to say nothing of clerk hire and free stationery. This loss is offset in a measure by the inactive accounts that have no collecting to do. But why should any account be kept at a loss? The par-point business is responsible for all this, and each year ushers in a closer margin to work on. If we are not vigilant, our profits will decrease as our business increases. Let us stop working for nothing. Let us be united on this question of collections, as our brothers in Savannah are, and if this association is instrumental in bringing about no other good, its organization will not have been in vain. Let us do away with par-points and par-lists and send our items direct. Let us charge our customers enough to cover cost of collection for each item, at least. Let there be a minimum charge agreed upon by all the bankers of the State, so that we may know what to charge our customers. Let this association require proper credentials from each applicant for membership, so as to shut out all wildcat banks and adventurers. Then let the members of this association send each other their collections as far as practicable, thereby making it an advantage to become a member. By working together in this manner, collections will be a source of profit instead of a loss, and all the annoyance, risk, circumlocution and waste of time will be reduced to a minimum. Thanking you, Mr. President and gentlemen, for your kind attention, I will leave the subject for your earnest and careful consideration.

At the conclusion of Mr. Hillyer's reading, Col. Wm. S. Witham requested him to read another paper on the par-point plan of collection, which was heartily indorsed. We also produce in full Col. Witham's paper, which is to the point:

"Some time since the bank with which I have the honor to be connected received from one of its correspondents a check for thirty-seven

cents. This check, small in size, as it happened, as well as in amount, was drawn on a bank in a small town of a different State. In the regular course of business it was forwarded to one of our correspondents, who had agreed to handle for us such checks at par. A few days ago this same check came back to us, and upon its back and pinned to it (for space on the check had given out) were the indorsements of fourteen different banks, and it had never reached the bank on which it was drawn. The last bank handling the item had sent it to us because it was on a point named in our par-list, without noticing that it had previously been in our hands. Fourteen bookkeepers had bestowed more or less labor on this check; it had passed through the hands of fourteen mailing clerks; had caused the use of fourteen remittance blanks, fourteen envelopes, fourteen postage stamps, fourteen postal cards for acknowledgments, and all this without a single cent of profit to any one concerned in the transaction, except the Post-office department of the United States. It is true that this is an extreme case, but what occurred in this instance is true, in a less degree, of any collection made through the par-point plan. So the first objection to this system, and one that is apparent to every banker, is that it involves a profitless expenditure of time, money and labor.

"Again, it involves a delay in making collections, which is frequently of grave importance. A few days ago I noticed a check drawn on a bank which had failed. Examination of the date disclosed the fact that the drawer of the check had deposited it with a bank in New York about ten days before the failure of the bank on which it was drawn. Had the New York bank sent the check direct, it would have been paid. The par-point plan being of comparatively recent origin, I think, perhaps, there have not as yet been sufficient decisions by the courts to thoroughly establish the legal responsibility for such delays, but it would seem that the drawer of this check had a right to assume that his New York bank would exercise reasonable promptness in making the collection, and, from an equitable point of view, at least, he should not be held liable for the loss.

"In addition to the objections above enumerated, it seems to me that this par-point plan of making collections is responsible for two evils in our system of banking which are frequently complained of, and which have been and still are the means of depriving the banks of a source of legitimate income. A few years ago, when a depositor came to his bank with a deposit composed mainly of checks on other points, it was the custom to discount these checks to cover the cost of their collection. Upon the introduction of the par-point system, banks, perceiving that they could make collections on nearly every point without direct cost, began the practice of accepting such checks at face value, and to-day it is almost universally the case that all checks are taken from depositors without any discount whatever; and thus has been lost to the banks what was once a source of no inconsiderable revenue. Before this custom of accepting checks from the depositors without any discount began, local merchants were in the habit of paying their bills in New York and other large cities, with exchange bought from their local banks at ordinary counter rates, or else by a draft drawn by the New York creditor, which generally included exchange and collection charges. If now and then some merchant sent on his local check, it was generally credited to him at a discount or else returned with the explanation that it could not be accepted in full payment, because of the cost of collection. Soon, however, the New York merchant discovered that these local checks could be used without cost, and as this method of remittance involved a small saving to the Southern customer, accepted it.

The result is that it is a rare occurrence for a merchant to purchase a piece of exchange from his bank. In our own town, this plan of sending off local checks is so general that a draft drawn with exchange can hardly ever be collected. When such draft is presented to the drawee, he will either tell you frankly that he can save the exchange by sending on his own check, or else, if not so frank, orders the draft returned with one of the usual excuses, and frequently, as soon as the collector is out of his office, gets out his check book and mails check in payment of the debt. About the only merchants who pay drafts which include exchange are those whose credit is not well established, and who are afraid of the effect of returning drafts unpaid. This condition of affairs is the legitimate outgrowth of the system in vogue, and if it does not exist in the other cities of the State, it is only a question of time until it will—for no intelligent man is going to continue an expense after he has discovered a means of avoiding it.

"It seems clear, then, that the par-point system is open to the objections I have enumerated :

"1. It annually costs the banks of this State thousands of dollars in the shape of extra clerical force, postage and stationery.

"2. It causes delay in handling collections, which is likely at any time to involve some bank in troublesome litigation, and perhaps, serious loss.

"3. It has indirectly caused an abolition of charges formerly made on deposits of checks on other cities at loss to the banks of the State, of what was once one of their main sources of revenue ; and

"4. It has caused the adoption by merchants of the custom of sending off local checks in payment of bills, instead of purchasing exchange from their local banks. It has done all this injury to the banking business, and, as far as I can see, without any counter benefit whatever. The system is wholly iniquitous, and should not be permitted to longer exist."

After the conclusion of the reading above papers, a resolution was passed thanking the Macon bankers for courtesies shown and hospitalities extended the members of the association.

Mr. Myers, of Savannah, then extended a cordial invitation to the association to hold their next annual convention in Savannah.

Mr. Burdell, of Savannah, in behalf of the bankers of Savannah, assured the delegates a hearty reception and offered several inducements in the way of pleasure excursions and sight-seeing.

Mr. T. B. Neal, of Atlanta, presented an invitation in behalf of the bankers of Atlanta, to hold their next meeting in the Gate City, but gracefully withdrew in favor of Savannah.

Savannah's invitation was unanimously accepted, and the date of the convention was set on Thursday, June 8, 1893.

On motion, the constitution, by-laws and minutes of the meeting of the association were ordered printed, and a copy forwarded to each member and all the bankers of the State.

The convention then adjourned, which was followed by a banquet.

THE CALIFORNIA BANKERS' CONVENTION.

One hundred and twelve bankers, representing eighty-two banks, assembled in the hall of the Chamber of Commerce, in San Francisco, at the opening session of the California State Bankers' Association convention. President Thomas Brown, of the association, introduced E. B. Pond, president of the Chamber of Commerce, who welcomed the delegates on behalf of the chamber and commerce at large. He greeted them one and all, both old friends and new, and hoped that at the end of the convention they would carry home pleasant recollections and renewed friendships.

To this address Frank Miller, of Sacramento, responded on behalf of Northern California in a short speech. He expressed the thanks of the interior bankers, and their wishes that San Francisco might receive more of the business of the country. As a means of securing this result he suggested the adoption of the Torrens system of registering land titles, whereby the Government guarantees titles. Thus abstracts are abolished and expenses are reduced to less than one-fourth of present charges. Also borrowers and lenders can freely negotiate, the only questions debatable being the value of the lands and the rate of interest. Trade follows loans, and San Francisco being the largest lender, her loans should be assisted to go to every corner of the State.

President J. K. Wilson, of the Sather Banking Co., San Francisco, responded for Central California. In the course of his remarks Mr. Wilson said that the bankers of every State held great possibilities for good or for evil, and that they possess equal power to impede or advance progress. He was happy to meet men from the upper and lower divisions, and felt that the occasion would tend to broaden views and awaken new interests.

In speaking of improvements needed in industrial conditions the speaker said: "I have observed that on July 1, 1892, there was on deposit in the several banking institutions of San Francisco the sum of \$132,500,000 of accrued capital due depositors. Of this amount, \$3,500,000 was in the National, nearly \$27,000,000 in the commercial, and over \$102,000,000 in the savings banks, with \$6,250,000 due to outside banks.

"I also find that the aggregate capital of all these banking institutions is a little over \$35,000,000, \$2,500,000 being that of the National banks, \$28,250,000 that of the commercial, \$4,500,000 that of the savings banks.

"It appears to me that within these surprising facts there lie questions of the deepest interest to all the people of the State of California, among them the question whether there be anything which the banking and commercial men of the city of San Francisco can do to change this financial condition. Every business man in California realizes the fact that what this State most needs is more people. They also know that there are vast estates of the best and most desirable lands which are unavailable at the present time to settlers of more moderate means."

Mr. Wilson was of the opinion that the banks of California might inaugurate an era that would prove beneficial. It was time that something were done, for commerce was shackled hand and foot by lack of transportation facilities. The southern and northern sections can do but little, the middle, to which all business flows, can accomplish nothing to speak of alone, but the three united could form an alliance which no other combination could break.

Following this address came A. D. Childress, of Southern California, with a well-written paper on the climatic and other beauties of that region.

He said that "Southern California is a unique corner of the earth, a singular region, unparalleled for happy conditions on the face of the globe. The osculation of the Colorado's scorching heat with the Pacific's bracing cold, manufactures that perfection of temperature which is a blessing to animal life and vegetation, and always exempt from 'import duties' and 'McKinley bills.'"

He spoke of the beauty and growth of Los Angeles, San Diego, Riverside, San Bernardino and other Southern California cities and towns, and gave statistical information of the growth of Los Angeles in population and wealth, as indicative of increase in wealth of Southern California.

Los Angeles has increased in population from 22,500 in 1885 to over 60,000 in 1892, and there has been an increase of its banking capital of \$4,943,000, and deposits of \$7,505,000 within the same period.

The banking capital of Southern California has increased from \$1,540,000 in 1885 to \$11,500,000 in 1892, and total deposits from \$4,999,000 to \$22,000,000 in July this year. The number of banks has increased from nineteen banks in 1885 to eighty-five banks in 1892.

Facts like these plainly illustrate the relative importance of Southern California, compared with the remainder of our Golden State.

President Thomas Brown then read an able address, in which he stated that, in spite of the marvelous progress of the nineteenth century, there were still many great financial problems that should be solved before the end of the century. There were many suggestions to be made on the problems of irrigation and transportation—matters of local interest—and something should be done in the way of improvement.

He then went into the history of banking in the State, touched on the silver question and the peculiarities of California, and concluded by congratulating the bankers for having done so much to shape financial policy on the right lines.

Chairman Childress, of the executive council, read a brief report of that body, which also contained the treasurer's report, which had been examined and approved.

The following resolution on the Nicaragua Canal was adopted :

"WHEREAS, the California Bankers' Association has already put itself on record as heartily favoring the construction of the Nicaragua Canal; and whereas, an American company has been chartered by the Government of the United States for the construction of the Nicaragua Maritime Canal, and is now engaged in the work of construction: Therefore be it

"*Resolved*, That the California Bankers' Association, having in view the great and permanent benefit of this work to the finances, commerce, and industries of the Pacific coast and to the entire republic, respectfully requests the American Bankers' Association, meeting at San Francisco on September 7 and 8, 1892, to pass resolutions in favor of a Government canal under Government control, and recommending the enterprise to the good-will and financial support of the American people."

As submitted, the resolution read "American canal," which was, on motion of J. West Martin, amended to read "Government canal."

During the year the membership increased from 161 to 170, and the association has withstood the shock of two failures, the California National Bank and California Savings Bank at San Diego.

In his report Secretary George H. Stewart showed that during the

year five banks had withdrawn from the association, but in place of these, fourteen have acquired membership.

The year has been specially notable in developing twenty-nine banks, which have been licensed and commenced business in California since October 1, 1891. State Bankers' Associations have largely increased in number. At the date of the last report, fifteen were in operation, while now eight more are listed, viz.: The Ohio, Illinois, Kentucky, West Texas, Arkansas, Wisconsin, Illinois Private, and Colorado Bankers' Association.

Cashier Lovell White, of the San Francisco Savings Union, presented a paper on "The Mistakes of the Tax Gatherer."

In the course of his remarks he referred to the uselessness of the tax on mortgages, and thought that the State revenue laws should be amended to exempt mortgages and Government bonds from taxation.

The cost to the various departments of the State in assessing and collecting this tax is nearly \$200,000 actually disbursed for clerk hire and stationery. While this was a comparatively small sum, yet it is of importance even to the wealthy State of California, and the provision would be eliminated if it were not for the political bosses, who must have places for their workers in city and county offices.

"The total indebtedness of the counties of this State," said Mr. White, "was, on the 30th of June, 1890, \$6,727,484, as per report of State Controller. To this amount may safely be added for debts of cities, towns and school districts, 50 per cent., say \$3,363,742, making a total of \$10,091,226.

"Upon this large sum the taxpayers pay interest $1\frac{1}{2}$ per cent. per annum (say \$150,000) higher than the rate that would be demanded by bond buyers, except for the fact that county, city and municipal bonds are taxable under the law, and, as already mentioned, not one-tenth of the amount is returned to the public in form of taxes paid on bonds. The escape from taxation is due to the fact that the bonds are held by non-residents and by local parties with elastic consciences, who contrive to shirk their share of the burden of supporting Government.

"Bonds of irrigation districts to the face value of \$5,000,000, more or less, are seeking a market in this State, but they cannot be placed, the chief objection being that they will be taxable in the hands of purchasers. For the same reason bonds of various school districts linger in the hands of agents and brokers."

E. S. Sheffield, of Santa Barbara, followed with a long paper on "The Development of Banking."

He suggested that, as dealers in capital, banks should try to discourage the tying up of capital in permanent investments when the production of that capital is limited.

In large investments it should be encouraged, and this can be accomplished by varying the rate of interest. A closer union of banks would strengthen credit, and as a measure of economy he advised clearing country checks through the correspondence of country banks.

The committee on resolutions indorsed that portion of Mr. White's paper in reference to the taxing of mortgages and bonds.

It also adopted a resolution in favor of Mr. Sheffield's suggestion in relation to clearing country checks.

On motion of C. C. Bush, a committee of three was appointed to confer on questions of higher financial education, and report at the next meeting.

The chair appointed Messrs. Bush, Palmer and Sheffield.

The officers elected for the ensuing year are: President, I. W. Hellman, of San Francisco; vice-president, E. F. Spence, of Los Angeles

secretary, George H. Stewart, of Los Angeles; treasurer, G. W. Kline, of San Francisco.

Executive Council—W. P. Harrington, of Colusa; G. E. Hersey, of Gilroy; J. H. Barbour, of San Diego. Lovell White and W. P. Harrington were elected delegates to the National conventions of 1892 and 1893.

THE NATURE AND OPERATION OF TRUST COMPANIES.

The following paper was read at the Missouri Bankers' Convention, by Mr. Breckinridge Jones, secretary of the Mississippi Valley Trust Company:

When we find large financial institutions like the trust companies springing up among us, it is pertinent to inquire:

1. In what do they differ from the banks?
2. What are the reasons of their existence?
3. What is the scope of their powers?
4. What legal safeguards are thrown about the exercise of these powers?

The published information as to trust companies is meager. Notwithstanding they are established in all the large cities in the United States, and control hundreds of millions of dollars, and the larger transactions of the last generation have been completed through their instrumentalities, there is not to be found fifty pages of literature concerning them.

In every community the business of banking is carried on by individuals before the volume and complexity of the business justifies the incorporation of a public bank. Such incorporations bring together an aggregation of capital that largely answers the banking demands of the community. The corporation does not die, nor get sick; it is always at home, and its existence is not affected by "war, pestilence, or famine." After its establishment, its advantages are conceded by all, and no one thinks of banking with a private individual. Banks are created for the purpose of receiving the deposits of the business community, for furnishing money to it, and for facilitating its financial exchanges. Receiving, without interest, the deposits of those who from the known nature of their business will need discounts, the bank, in fairness, must give its depositor the preference in a line of discount in keeping with the value of his balances; and the depositor, to be entitled to the discounts he needs in his business, and at the time he needs them, must keep in his bank balances commensurate with the accommodations he will require. Instead of interest on the money that the depositor has idle in the bank, the thing of value that he receives is the conceded right on short notice to have discounts in a recognized proportion to his balances. It follows that the bank's discounts must be distributed mainly among its depositors. No one depositor can have an unfair share of the bank's funds, and no one other than a depositor can rightfully expect a discount until those who keep balances without interest are reasonably supplied. To bring about this distribution of the funds of a bank is, in part, the object of the limitation that no one shall have "money borrowed" from a National bank to an amount in excess of one-tenth of its actual paid-up capital; and this, notwithstanding the deposits may be many times the capital. This distribution among, and accommodation of, depositors in their business, brings the discounts of the bank generally into an aggregation of small or medium sized items, largely of accommodation or name or unsecured paper. To protect the bank on this name paper,

and to meet the probable demands of its depositors, both as to checks and the discounts incident to the requirements of varied lines of business in different seasons, the bank must confine itself to *short* loans. In its legitimate field of short discounts for the business community on *secured* paper, the above limitation as to lending to one customer not to exceed one-tenth of the capital does not apply, for the law expressly says: "But the discount of bills of exchange, drawn in good faith, against actually existing values, and discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed." This is in emphasis of the fact that the bank's duty is to accommodate the business public in facilitating the speedy transfer of property.

One of the purposes for which the bank is created being to furnish money to the business community, and one of the arguments on which it solicits deposits being its ability to provide a liberal line of discounts for its customers, it does not invest its capital in settled securities, but makes an effort to use it and about 70 per cent. of its deposits in that way. The law fixes the lawful limit of reserve as to National banks, but in other banks this is left to the discretion of the officers. As a rule, banks keep the larger part of their reserves in their own vaults. The general discounts of a bank being thus in business paper, or in small or medium sized discounts, or in short-time discounts, it is plain that a bank cannot respond to the many demands in a community for either large or long-time loans on either real estate or collateral; and this, whether such demands come from its depositors or others. And National banks are prohibited by law from lending on real estate for a present or future debt. Nor is the bank's business such as to enable it to fairly answer in a general way demands for short-time loans from that large class of people in its community who are not its depositors. Paying no interest on its individual deposits, and its principal return therefor being the express or implied obligation to furnish a commensurate line of discounts, it is not to the advantage of one who asks no discounts, or only an occasional discount, nor of one whose loans are of a character not acceptable to a bank, to deposit his money there. The mere keeping of its office open, and keeping the money safe, and paying it out when checks are presented, is not a fair equivalent where the deposits are large and the number of checks comparatively small. Especially is this true when it is considered that the bank keeps, or attempts to keep, about seventy per cent. of its depositors' money out at interest for its own account.

It is to supplement and aid the functions of the bank, not to compete with them, that the trust company is formed. Its purpose is to utilize the deposits of those who are not in commercial, industrial, or mercantile business, and who have but little or no need for a regular line of discounts, and who are desirous of depositing their money where they can obtain a small return of interest. For convenience of designation such persons may be classed as *trust depositors*, in contradistinction to *bank depositors*. They are, for example:

1. The laborer, mechanic, clerk, teacher—all those who work for wages or on a salary.
2. The capitalist, the professional man, the married woman who has a separate estate.
3. The business man who wishes to separate his private income or the surplus profits of his business from his general business capital.
4. The corporation, public or private, that is accumulating a sinking fund, or any individual that is husbanding a balance to pay a debt.
5. The executor, administrator, curator, guardian, assignee, receiver, trustee under deed or will or order of court.

In short, all such who wish all their daily deposits to draw interest.

Promising no line of discount in return for deposits, and not being burdened with the collection of mercantile paper for its depositors, the trust company receives money in trust and allows interest thereon. The depositor expecting no preference in loans by reason of his deposits, keeps on deposit only such sums as suits his convenience from time to time, while the company, having paid for the deposit in money instead of a promised line of discount, is under no obligation to discount his unsecured paper, and keep itself continually advised as to his business responsibility. Having no accounts from banks, and refusing commercial, industrial, and mercantile business, it has no depositors who are clamoring for discounts. Having its deposits without the obligation of lending them to any particular person or class of persons, and having received its deposits *in trust*, it treats them as trust funds as to the character of security taken when lending them. It takes not merely name paper, but selects from the community at large the best class of loans on collateral and real estate. Its loans being thus secured, and there being no obligation to distribute them, there is no reason for a restriction as to the amount of a loan to any individual or corporation. Whether a loan should be large or small is left to the intelligent judgment of the company's officers.

The largest and most stable element of wealth in any community being real estate, and banks declining generally to make real estate loans, and National banks being prohibited from so doing for any present or future debt, the trust company becomes of special interest to the real estate owner who wishes to cultivate business relations with an institution which by the scope of its organization enables him to use his real estate in borrowing money with the same facility that he uses his bonds and stock. From the demands of the investing class of people, who are the depositors and customers of a trust company, from the fact that a considerable portion of its deposits are funds that are accumulating for investment, and the fact that the company itself keeps its own capital constantly invested in the best class of securities, and has a large demand for such securities for the trust funds that come into its hands in its various trust relations, larger loans than would be desirable to a bank are in constant demand by a trust company. As in banks other than National, so in trust companies, there is no law fixing the amount of reserve of deposits to be kept, but the latter being managed by men of the same general class as the former, the question of how much reserve should be kept is determined by the intelligent managers of the various companies to suit the varying lines of business of the several companies. While the bank keeps its reserve in its own vaults, the practice of all well-managed trust companies is to keep the bulk of its cash and reserve distributed on deposit in first-class banks, from whom it receives in return interest on its daily balances. Thus the trust companies bring out many deposits that singly the banks do not desire, and at times money that they could not get, and after having brought the money together and loaned the major part of the aggregate, the surplus or reserve goes to increase the deposits at one of its banks. This course has been generally commended, and I have not learned of a single instance where the practice has turned out otherwise than satisfactorily.

That you may have your attention drawn to the public favor in which trust companies are held as places of deposit, and to enable you to say that they fill a public want, it may be interesting to know that the aggregate of deposits in trust companies in the cities of New York and Brooklyn, on January 1st last, was \$174,588,000, and that in those cities

the ratio of deposits to capital and surplus was $4\frac{1}{2}$ to 1 in the trust companies, while it was only $3\frac{1}{2}$ to 1 in the banks.

Some of the larger trust companies, notably the Farmers' Loan & Trust Company in New York, do not pay out money over their counters, but make it a condition of all their deposits that the depositor or his draft holder will accept, instead of cash, the check of the trust company on a Clearing House bank. In St. Louis, the St. Louis and Union Trust companies pay cash for drafts on them at their counters; frequently, however, for larger amounts, giving the check holder a trust company check on one of the city banks. Neither of those companies have drafts on them cleared, but require them to be presented for payment. On the other hand, many companies East, and the Mississippi Valley in St. Louis, have drafts on them cleared through one of the Clearing House banks.

The showing that the work of the trust companies as to deposits and loans is not injurious to the banks, but rather augments their facilities, is further attested by the fact that the board of directors of the various trust companies are composed largely of the presidents and other directors of neighboring banks. I might illustrate this further by the two institutions there (pointing) the Missouri Trust Company and the Sedalia National Bank, occupying the same room and working in perfect harmony.

Filling thus an important field not occupied by the banks, other opportunities and duties naturally result from rendering the various services to the divers classes of "trust depositors." The "bank depositor" being engaged in a commercial, industrial, or mercantile pursuit, has always an established place of business, and during the dull seasons, or during his absence from home, leaves trusted employes to attend to current matters. But many of the "trust depositors," having, when at home, exclusive charge of their personal business, have, when sick or from home, temporary need for some trained, intelligent, confidential, and financially responsible agent, perchance to pay premiums on insurance policies, to collect the income from stocks or bonds, or real estate, to execute some detail of an open trust, to become custodian of a will or other important paper, and deliver it if occasion warrants; indeed, to do any of the thousand things that one wishes looked after during his absence. The business establishment has no demand for services of this character by outside parties, and the banks, especially in cities where there is a great volume of business, are not equipped for them.

Many "trust depositors" have no opportunity to become acquainted with investments, nor with those general duties that devolve upon one who must take charge of his own financial affairs. Many young and inexperienced persons inherit estates and suddenly find themselves in situations that demand the intelligent foresight of the experienced ancestor. A married woman has a separate estate and prefers to give personal attention to her financial affairs. An executor, administrator, or any one having charge of trust funds, may have the best legal advice and yet be in need of other assistance in the proper execution of the financial side of his trust. These are among the demands that come from persons who must look after their own affairs. But there comes a time when one wishes to convey a part of his property to be held in trust for some wayward son, for some daughter who has or may hereafter marry a man incompetent to take care of her estate, or for some other purpose that has become dear to the heart of the grantor; or it may be his desire to set aside a fund to accumulate for a given time, or he may wish to make a general assignment of his assets for the benefit of his creditors, or establish any other of the various trusts that he

desires to be executed by the trustee of his selection; or a corporation, private or municipal, may wish to establish a sinking fund that is to accumulate and be managed for a long term of years, or it may be that the trust to be executed is contained in a will, and is to be vested in a selected executor or testamentary guardian or testamentary trustee; or perchance a trustee has to be appointed by a court; there is need for an administrator, a curator, a guardian, a receiver. If any one of these trusts be committed to an individual, there is no assurance that he will live to execute it, or that he will keep in such health as will enable him to give the trust proper attention. Unexpected mental derangement may come to him; and, if in health, he will need recreation, or he may have business that takes him from home at a time when the interest of the estate demands his presence. And the court records are replete with instances where men of the highest standing have gone wrong. A bond may have been given for the faithful execution of the trust, but no supervision is assumed by the appointing power over the dealings of either principal or surety, and poverty among those who thought they had handsome estates are too often the monuments to commemorate the worthlessness of the ordinary bond. Moreover, the individual trustee is usually selected by reason of his success in his own business—a success achieved by giving his undivided time to his business, and just the man who cannot give due attention to the execution of an outside trust without neglecting his own business. To expect this for the small compensation that is usually allowed in trust matters, is illusory in this utilitarian age. Again, while the individual selected may be ever so faithful, yet it is more than likely he has never before, or but seldom, discharged such a trust, while the special trust committed to him may require for its proper execution the very best class of the most experienced talent.

A corporation for building a railway, a water works, a gas works, or what not, is to be formed, and the citizens of a locality find it necessary to get a large part of the money from the investing public. But the enterprise cannot afford the expense of an investigation by each of the investors who may become interested in it. There is a demand at once for someone of recognized standing and financial responsibility who can make an investigation, and upon whose report the investing public will be willing to rely. Such a one must see that all proceedings connected with the issue of the proposed securities are regular, that the mortgage securing them is properly drawn, and that it will invest powers in the trustees to protect the security holders if need be; and then a trustee must be selected that will not change, and that will always be ready to do his duty. Moreover, when the securities are issued, it is important for the stockholder in the company to know that there is no over-issue of the stock; hence there is the additional requirement that someone upon whom all can rely will register the certificates. Again, the holder of one of the bonds issued may wish to have it registered in his name, so that if it should be lost or destroyed he could get his money. Or a corporation, after having promulgated its securities, may need to be reorganized; to effect which, someone of experience in that line must originate a plan, and a satisfactory agent must be selected who can receive and hold the various securities while the plan of reorganization is being made effective. It is natural that the same corporate agent should be called on. Until recently, Western corporations were forced to go for all this class of work to New York, Philadelphia, or Boston. A trust company there would be made trustee in a mortgage securing bonds, and would also act as transfer agent and registrar, thereby giving valuable security to the Eastern investor in protecting him against

irregularly issued bonds, over-issues of stock and bonds, and fraudulent transfers of them. Western investors began to demand a similar protection for Western securities, and argued that it is bad policy for Western institutions to carry all their grist to an Eastern mill. Since strong trust companies have been incorporated in St. Louis and other Western cities, the Eastern investor recognizes that as to Western securities these Western trust companies, being nearer the scene of action, can make the best investigation.

Men of property in every community are continually besought to become surety on the bond of some friend. Recognizing that such bonds are required by law, and there being no substitute for the individual sureties required, it is found hard to refuse such requests. In practice the surety has no indemnity, had no supervision over the management of the trust fund, and any effort in that direction is likely to be resented as an unjust imputation upon the integrity of the principal. Naturally many losses occurred, and moneyed men, to protect themselves, were forced to a general resolution to go on nobody's bond. A demand again arose, as the volume of business had increased sufficiently to justify that the matter of becoming surety on bonds be considered a business, and it was argued that the public requirements in this line could be best undertaken by a corporation which kept constantly advised as to the rules and practice of the courts requiring such bonds, which was familiar with securities and the handling of them, and which kept a safe place where the assets in the hands of the principal could be reduced to the joint possession of the principal and the corporate surety.

As population becomes denser, and as wealth accumulates, demands of the above and kindred classes increase in volume, and there is repeated the experience of the town when its citizens realized the needs of an incorporated bank. The agent to whom these various duties are committed, to repeat the plea, must be always well and at home; must never run away and never steal; must have no exemptions; must have life everlasting; must be rich and stay rich; must have no partialities; must be subject to no political influences; must make no mistakes; must never forge; must do what it is told to do, first, last, and all the time; must keep a complete record of what it does; must make only reasonable charges, and must have the learning, the experience, the discretion not only of one man, but of a half dozen of the most successful men in the community. Such is the trust company. It can be your guardian or curator when you are under age; your agent or trustee when you are grown, if you are sane, and your committee or guardian if you are not; your assignee if your bankruptcy is voluntary, and your receiver if it is involuntary; your most valuable friend while you live, and your executor, administrator, or testamentary trustee when you die, and, if there is any money in the trust, it never resigns.

To meet these various requirements, all naturally relating to and interlacing with each other, a statute concerning trust companies was enacted in Missouri in 1885. Its scope was restricted, and no trust company having been formed under it, when the Legislature met in 1887 the provisions of the statute were enlarged. Following the idea of some of the Eastern States, where the volume of business in any particular line was sufficiently great to justify a corporation to take up the business of that line alone, our lawmakers, not recognizing that we had not reached the density of population and the abundance of wealth of some of the Eastern States, failed to appreciate that to make such a company a success here it must run "a general store." After the broadening of the statute in 1889, several large companies, composed of

the most prominent financial men in the State, were formed. But it was found that the statute governing them was not sufficiently flexible, so in 1891 the statute was made more definite, more certain, better guarded, and yet more liberal in its provisions. Under that statute trust companies have the powers generally outlined above. [See Sec. 2,839, R. S. (Mo.) 1889, as amended in 1891.]

While this act was pending it was very fully discussed, and at first met with opposition. The following short colloquy in discussing the merits of the bill took place between Senator Perry, of Grundy County, and one of the advocates of the measure:

Senator: If that act becomes a law, is there anything on the Lord's earth that a trust company could not do?

Advocate: Yes, Senator, I think there is.

Senator: Pray tell me what it is.

Advocate: I do not think, Senator, that it could have twins.

No company can be incorporated under that act with less than \$100,000 capital; its directors must be stockholders, and a majority of them must be residents of this State. If the number of directors of any such corporation exceeds five, they shall be divided into three classes, of which the first shall remain in office one year, the second two years, and the third three years, and at each annual election directors shall be elected for the term of three years to fill the vacancies created by the retiring class. If any director of any such corporation shall knowingly declare or pay any dividends when the corporation is insolvent, or any dividend the payment of which would render it insolvent, they shall be jointly and severally liable for all debts of the corporation then existing, and for all that shall thereafter be contracted while they respectively remain in office, saving to any director, however, the right to be exempt from such liability by timely objection. The directors shall keep correct minutes of their transactions, and have full statements of the condition of the affairs of the corporation made out and exhibited at least annually to the stockholders. The books and all records of the proceedings of such corporation shall be kept open for inspection of all persons interested.

As part of the purpose of the formation of these companies was to relieve individuals from the burden of becoming surety, the corporations were not only given the corporate right to become a surety, but the law provided, as a substitute for the second surety, or as a substitute for any individual surety where the corporation was itself executing a trust, that the corporation should deposit with the Superintendent of the Insurance Department of the State \$200,000, consisting of cash or its equivalent in acceptable securities, and the Superintendent of the Insurance Department, having the only department of the State Government equipped to properly investigate and supervise the transactions and accounts of such companies, they are required to make periodic sworn statements for filing in his office, and he is given plenary rights to investigate and supervise the business of such companies, and to close up any company if its business is irregularly or not safely conducted. The fund deposited with the said Superintendent shall be primarily liable for the trust obligations of the company depositing it, and shall not be liable for any other debt or obligation of the company until all its trust liabilities have been discharged. This fund of \$200,000 must always be kept intact.

Thus the trust companies, having ample powers, have the strongest legal safeguards around the exercise of them; having for their operations a field that it is impossible for the banks to occupy, they work hand in hand with the banks.

BANKING IN LYNN, MASS.

The Central National Bank has returned to its old location in Central Square, from which it was driven by the great fire of Nov. 26, 1889. The bank settles down on the same spot again, but in vastly improved quarters. The Central is by right of succession the second oldest bank in the city. The Lighton Bank, organized April 30, 1849, was the beginning, and a reorganization effected under the National Banking Act in 1865 changed the Lighton Bank to the Central National Bank. Practically it was a continuation of the Lighton under new conditions and a new name. The present seal of the Central is the old seal of the Lighton, designed with a picture of the ancient side lace woman's shoe in its center. Thus is kept alive a memory of the old bank, and the almost obsolete article that was a principal product of Lynn's shoe industry fifty years ago.

The Mechanics' Bank started before the Lighton, and its successor is the First National Bank. From its quarters in the Lyceum building the Central was driven forth by the fire of Christmas night, 1868, and passed a year within the present City Hall building, going back to the corner of Summer and Market streets again, but taking quarters above the post-office in Frazier's new building. In 1885, the bank came to the Mower block, to meet with fire once more. On the morning of Nov. 27, 1889, it found itself sheltered in the Lynn Trust Company's quarters, where three other National banks and one savings bank had taken refuge, and opened for business that morning at the usual hour. With proper pride the Central points to only two hours' stoppage of business because of the great fire.

There are two interesting objects preserved in the banking rooms to-day. One is a set of duplicate keys of the old Lyceum Bank vault, and the other is a framed collection of the bank notes issued by the Lighton Bank, in denominations of \$1, \$2, \$3, \$5, \$10, and \$50. The \$3 bill would be quite a novelty at the present time.

The Lighton started with a capital stock of \$100,000, which was increased in 1851 to \$150,000, and in 1853 to \$200,000, at which figure it has remained. On the 1st day of April, 1850, not quite a year after commencing business, a dividend of 3 per cent. was declared, slightly different from the modern plan of waiting five years for surplus to accumulate. The dividends were kept up, and the combined history of the Lighton and Central shows a total of eighty-five dividends paid, realizing \$656,000 to stockholders.

Francis S. Newhall was first president of the Lighton Bank, and, dying in 1858, Henry Newhall succeeded him, and was at the head of the bank in the reorganization. He continued as president of the Central until 1876, declining a re-election in that year. His successor was Philip A. Chase, who is president now, after fifteen years' service. With Mr. Chase came an injection of new blood into the management, and George K. Pevear was invested with the vice-presidency at the same time, retaining the office ever since. Joseph B. Lamper was vice-president during the later years of President Henry Newhall's administration, and the burden of management was principally on his shoulders.

There have been but two cashiers, Ezra W. Mudge and Warren M. Breed. Mr. Mudge commenced with the Lighton and retired from the Central in 1877, dying the following year. A fine portrait of him hangs in the cashier's office in the new establishment, replacing one destroyed

by the fire. It may be added that portraits of both the Presidents Newhall were also destroyed, and hopes are entertained that their descendants will duplicate them. Mr. Mudge was one of the mayors of Lynn, an alderman for many years, and president of the Board of Trustees of the Public Library at the time of his death.

In 1863 a boy came into the Loughton Bank to commence at the foot of the banking ladder. He climbed up, round by round, until he became teller, and on the retirement of Mr. Mudge was chosen cashier. He was Warren M. Breed, and the Central National Bank and the citizens of Lynn who come in contact with him rejoice in the fine personality, courtesy, and ability of Cashier Breed.

Of the original Loughton board of directors there are none left in the present board, but several of them have successors there. George W. Keene was very prominent in the organization of the bank, and is represented in the directorate to-day by his son, William G. S. Keene. Isaiah Breed was chairman of the first meeting, and F. W. Breed represents him now. President Francis S. Newhall is followed by his son, George T. Newhall, a depositor. Charles H. Newhall represents in the board his father, the second president. Joseph Breed, 2d, has a successor in Director Joseph B. Breed.

The bank has graduated two of Lynn's prominent banking men from clerks in the office—A. C. R. Smith, treasurer of the Lynn Trust Co., and James E. Jenkins, cashier of the Lynn National.

That the Central stands equal with all Lynn banks is an evidence of business conducted along lines of prudence, ability, and absolute integrity, distinguishing features of Lynn banking institutions without exception. In a tasty card circular the bank's customers and the business public are invited to the new quarters, and the following financial statement, written at the close of business, Thursday, September 1, is rendered :

RESOURCES.	
Loan.....	\$581,858 19
Due from National banks.....	45,753 37
United States bonds (par value).....	50,000 00
Due from United States Treasury.....	2,250 00
Cash.....	36,555 27
	<hr/>
	\$716,416 83
LIABILITIES.	
Capital stock.....	\$200,000 00
Surplus and profits.....	137,173 39
National bank notes, outstanding.....	45,000 00
Individual deposits.....	332,249 42
Due to National banks.....	1,994 02
	<hr/>
	\$716,416 83

And on another page appears the list of officers and board of directors, as follows :

President, Philip A. Chase; Vice-President, George K. Pevear; Cashier, Warren M. Breed.

Directors: Philip A. Chase, president Lynn Institution for Savings; George K. Pevear, morocco manufacturer; Aaron F. Smith, shoe manufacturer; Charles B. Tebbetts, shoe manufacturer; Charles H. Newhall, president Lynn Gas and Electric Company; William G. S. Keene, shoe manufacturer; Francis W. Breed, shoe manufacturer; Joseph B. Breed, builder.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

MASS... Lynn.....	Central Nat. B'k.	N. Y... New York....	Bank for Savings.
• .. New Bedford.	Five Cents Sav. B.	PA.....	Wellsborough Wellsboro' Nat. B.
• .. Watertown....	Watertown Sav. B.	WASH..	Seattle.....
MO..... Joplin	Joplin Nat. Bank.		Seattle Trust Co.
N. Y... Jamaica.....	Jamaica Bank.	QUEBEC	Quebec.....
			La Banque Jacques Cartier.

Other banks which have made minor improvements, put in new vaults, etc., are the following :

CONN... Norwich.....	Chelsea Sav. Bank.	N. J.... Bloomfield....	Bloomfield Nat. B.
IND.... Richmond....	Second Nat. Bank.	N. Y....	St. Johnsville.
ME..... South Paris..	South Paris Sav. B.		First Nat. Bank.
MASS... Lowell.....	Traders Nat. B'k.	PA.....	Elkland.....
N. H.... Claremont....	Claremont Nat. B.		Pattison Bank.
• .. Manchester...	Amoskeag Nat. B.	• ..	Norristown ..
		R. I....	Wickford
			Wickford Sav. B'k.

BANKS WHICH ARE INCREASING THEIR CAPITAL :

IND.... Princeton	Farmers Bank, from \$50,000 to \$100,000.
MASS... Boston	International Trust Co., to \$1,000,000.
MINN... Minneapolis	Bank of Minneapolis, from \$250,000 to \$300,000.
NEB.... Wayne.....	First National Bank, to \$75,000.
WIS.... Portage.....	City Bank, from \$25,000 to \$100,000.
• .. West Superior..	State Bank of Wisconsin, to \$1,000,000.

SOME RECENT BANK DIVIDENDS :

Location.	Name.	Annual.	Semi-Annual.
		Percent.	Percent.
N. H.... Laconia	Belknap Savings Bank .....	....	2
N. Y.... Fort Plain.....	Fort Plain National Bank.....	....	8
• .. Kingston	Kingston National Bank.....	....	3½
• .. "	Ulster Co. National Bank.....	....	2½
• .. Walden	Walden National Bank.....	....	4
Wis.... Milwaukee.....	Commercial Bank.....	8	...

IS THE EAST A FIELD FOR ENTERPRISE?—Mr. James G. Cannon, vice-president of the Fourth National Bank of New York City, discusses this subject in an interesting way in the September number of the *Engineering Magazine*, contrasting some of the conditions existing in the West with those in the East, and showing wherein eastern progress has been slower than in western, and especially far western States. "There is a great field in the East for electric railways, which have developed so rapidly in the West. In the small towns in the eastern States, the time will soon come when nearly all of them will be connected by electric railways ; and this will also give the towns electric lights, etc. Here is an employment for capital at home in the East which is certain, in time, to be very profitable. Take another field for enterprise which is not at all familiar to the eastern man—that of the manufacture of windmills. In the West there are thousands of them, doing the work which is being done in the East by manual labor. The time will come when the farmers of the East cannot do without them. Take the matter of water-supply for villages, sewerage systems, and many other undertakings of this nature, as well as the many industrial enterprises that are being put upon the market, all

of which during the next decade will offer inducements at home to the investor in the East. There are many mines in the East which are now lost sight of and unknown on account of the great mines of the West, and which will pay when developed upon an economical scale, with improved machinery and new methods. There will be cheaper money with which to carry on these enterprises, as it will not cost as much in the old-settled sections of our country to carry these things forward as in a new country. By cheaper money in this connection, I do not mean the cheap money of Europe, but I do mean that the high rates of early western investments will not prevail. I believe, however, that capital in the United States will always afford a much better and safer return upon the money invested than in any other country in the world, and we will, during the next generation, afford the capitalist good use for his money at remunerative rates; and when capital is employed it means employment to the workingman, and this means general prosperity to the whole country. As we look in a mirror, with a strong light at our backs, the light is thrown from the mirror in our faces. So the strong reflection comes back from the West upon the East of its wonderful enterprise and prosperity, and infuses into the East new ideas and opens fields for investment in the East which will gradually again reach the West, to its great advantage."

THE AMERICAN YACHT LIST FOR 1892.—This elegant work contains a complete register of the yacht clubs of the United States and British Provinces, also of the Bermuda Islands, Jamaica, Habana and Argentine yacht clubs, with the list of the officers, addresses of the secretaries, names of yachts, official numbers, signal letters, dimensions, designers, builders, etc. There is also an alphabetical list of owners, and fac-similes in chromo-lithograph of the club flags and private signals of the owners. The work contains other information relating to yacht club regattas, rules of measurement, time allowances, etc. All the matter is well arranged, the lithographic work is beautifully executed, and the volume will doubtless serve a highly useful purpose to those for whom it is specially designed. The work is published by Thomas Manning, 45 Beaver street, New York, who is also the proprietor.

EASTERN STATES.

NEW BRITAIN, CONN.—No review of the affairs of the flourishing city of New Britain would be complete that did not give some account of that old-established and most solid institution, the Savings Bank of New Britain. It is just thirty years since this bank was established, and to-day it reports assets amounting to more than two and a half million dollars, or, to speak more correctly, the assets on July 1, 1892, amounted to \$2,542,408.72. The affairs of this bank are managed by very careful and conservative men, as will be seen by the following list of names: Levi S. Wells, president; T. W. Stanley, vice-president; W. F. Walker, treasurer; and C. B. Oldershaw, secretary. Directors: Levi S. Wells, Philip Corbin, J. A. Pickett, Thomas S. Bishop, T. W. Stanley, J. B. Talcott, H. E. Russell, Jr., W. F. Walker and Charles S. Landers. These are all well-known gentlemen, of high standing in business, professional and social circles, and all of them seem to be spoken of in the highest terms here. The bank itself is one of the strongest and most prosperous in New England.

BOSTON.—Mr. George Phippen, receiving teller of the Suffolk National Bank, who died last month, was probably the oldest National bank officer in years of service in Boston, having been with the Suffolk for 42 years. He was 58 years of age.

NEW HAMPSHIRE BANKERS' ASSOCIATION.—The bankers of New Hampshire have formed an association, the object of which is to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance and from the discussion of subjects of importance to the banking, commercial and industrial interests of the State of New Hampshire, and especially to secure the proper consideration of questions regarding the financial and commercial usages, customs and laws, which affect the banking interests of the State, and for protection against loss by crime. At a meeting held in Manchester, officers of the association were chosen, and a constitution and by-laws adopted. The officers are: President, Hon. G. B. Chandler of that city; vice-presidents, N. S. Huntington, Hanover; W. W. Bailey, Nashua; Walter M. Parker, Manchester; E. R. Brown, Dover;

F. D. Hutchins, Lancaster; O. G. Nims, Keene; R. E. Smythe, George H. Adams, Plymouth; E. P. Kimball, Portsmouth; A. G. Folsom, Laconia; J. E. Fernald, Concord; A. A. Perkins, Great Falls; W. L. Knowlton, Milford; treasurer, William P. Fiske, Concord; secretary, George N. Farwell, Claremont; executive committee, O. C. Hatch, Littleton; Henry Abbott, Winchester; W. F. Thayer, Concord.

BRISTOL, N. H.—The Bristol Banking Company, chartered by the last Legislature, has effected a temporary organization, with the following officers: Trustees, Hon. Cyrus Taylor, Ira A. Chase, R. W. Musgrove, John H. Brown, Clarence N. Merrill and George C. Currier. R. W. Musgrove was elected as clerk of the corporation. The directors organized by the election of Hon. Cyrus Taylor, president, and Ira A. Chase, vice-president. The bank will start with a capital of \$25,000, with privilege of increasing to \$50,000.

NEW YORK.—It is stated that there is an erroneous impression abroad regarding the new banking law, that savings banks are included among those which are required to advertise unclaimed deposits. Savings banks are only required to report unclaimed deposits to the State Banking Superintendent.

NEW YORK CITY.—Comptroller Hepburn has filled the vacancy in the Bank Examinership for the city of New York, occasioned by his own promotion to the office of Comptroller, by the appointment of William H. Kimball, of Canton, N. Y., to that position. Mr. Kimball's appointment was recommended by E. H. Perkins, Jr., of the Importers and Traders' National Bank; J. Edward Simmons, of the Fourth National Bank; F. D. Tappan, of the Gallatin National Bank; H. W. Cannon, of the Chase National Bank; R. M. Gallaway, of the Merchants' National Bank; George E. Baker, of the First National Bank; G. G. Williams, of the Chemical National Bank, and others. He was also indorsed by the leaders of the Republican party of the State. Mr. Kimball is president of the St. Lawrence County Bank, of Canton, N. Y., a position he has held for eleven years. He was formerly teller of the Jefferson County National Bank at Watertown, N. Y., and has had twenty-nine consecutive years' experience in banking. He was receiver of the Merchants' Bank of Watertown, N. Y., a member of the Board of Supervisors of St. Lawrence County for ten years, and chairman of the board for three years. Mr. Kimball was also a member of the New York Assembly for four years.

NEW YORK CITY.—Mr. E. N. Gibbs, president of the Thames National Bank, of Norwich, Conn., has been chosen treasurer of the New York Life Insurance Company. Mr. Gibbs has been eminently successful as a banker, and the New York Life is indeed fortunate in securing one so fit in every way for the responsible position of treasurer.

BUFFALO.—The death of Francis H. Root, of Buffalo, has deprived that city of one of its leading and most enterprising citizens. Mr. Root had been associated with the business interests of that place for many years. He began his career there in 1835 as a clerk. Subsequently he engaged in business for himself, and was most successful in building up a large and profitable business and accumulating great wealth. But this was not all. He made for himself a reputation for strict integrity that gave him the confidence of all who knew him. He was a director of several banks and other institutions, and in many other ways was identified with the city's interests.

WESTERN STATES.

CHICAGO.—It is not often that a bank makes money by failing, but according to the record in the office of the Comptroller of the Currency that is what the Park National Bank of this city, which went into the hands of a receiver in July, 1890, has done. The receiver has paid principal and interest, and has turned over the affairs of the bank to an agent, who is now straightening them out, with the intention of going ahead with the business of the bank for the old stockholders. When the bank failed the face value of its assets was \$769,000, but of these the receiver estimated only \$342,000 as good, \$256,000 as doubtful, and the remainder as bad. The receiver collected \$443,500 from these assets and paid over \$415,000, principal, and \$33,000 interest dividends to the creditors of the institution. When he turned the bank over to the agent chosen by the stockholders there was enough property

on hand to realize the amount of the original capital of the bank and start another in its place. This surprising condition of affairs was brought about by the fact that the bank owned a large amount of real estate in the suburbs of Chicago, which so increased in value during the receivership that under the careful management of the receiver the affairs of the bank were straightened out to the satisfaction of stockholders and creditors alike, and again placed upon its feet in a better financial condition than ever before. The history of the old Third National Bank is about the same as this. The tract of land that was used as a pasture lot, and not considered worth listing with the assets at the time of the failure, is now valued at more than a million dollars.

GRINNELL, IOWA.—On the death of Hon. Charles H. Spencer, director and cashier of the First National Bank, the following resolutions were passed: *First*, That in the sudden removal by death of Hon. Charles H. Spencer, the founder and cashier from its inception of the First National Bank of Grinnell, we mourn the loss not only of a most faithful and efficient officer of the bank, but also of a highly valued personal friend, who by his genial qualities and kind manners had won the esteem and affection of us all. *Second*, That we will ever cherish his memory as one of the founders and leaders of the town who was ever active in promoting its prosperity, serving it in various offices at home and representing it in the Legislature of the State—always upright, honorable and true to every trust in public and in private, a good neighbor, generous hearted and liberal to the needy—thus exemplifying in his life the principles and character of the ideal citizen. The directors of the Merchants' National Bank also *Resolved*, That we desire to express our deep sorrow at this melancholy and distressing event. That we feel that, in the death of Mr. Spencer, the city has lost from among her public and business men one of the most useful; that his long and honorable connection with business in this city has made his sudden death a positive loss to the general interests of the city; that as mayor of the city, as member and chairman of the board of supervisors, and as representative in the General Assembly, he has left a record of honorable and useful public service that calls for, from us, an expression of our sense of his value to our city, to the county, and to the State; that we recall with pleasure, mingled with sadness of his taking away, the many excellent personal qualities of our friend, his fidelity in friendship, his warm and generous heart, his quick response to the call of the distressed and the unfortunate, and to all the demands on his benevolence, and the many other traits that made him a genial and good neighbor, and a generous benefactor.

KANSAS.—Forty-four banks have been organized in Kansas since January 1.

MINNEAPOLIS, MINN.—Arrangements have been completed for the new building to be occupied by the Nicollet National Bank. It will be a model bank structure, and there will be nothing like it in the West, the projectors say. By next June or July it will be ready for use, and then the Nicollet Bank will be as well housed as any banking concern in all the country. The new building will be one story high and lighted almost entirely from the roof. There will be electric appliances by means of which the front doors, and the only ones in the building, can be thrown shut by the touch of a button, a valuable thing in case of robbery or riot. The bank will have no interest in the new building, although some of the gentlemen owning bank stock have. J. F. R. Foss and other gentlemen have decided to erect it as a business venture and the bank will lease from them. It is said there is not in the country west of Philadelphia a bank building so perfect in all its arrangements and details as this one will be. G. F. Warner owned the site and sold it for \$1,250 a foot to Mr. Foss and his associates.

ST. PAUL, MINN.—Several bankers from St. Paul and Northfield have appeared before the State Board of Equalization and wanted some change in their assessment. The Northfield bankers stated that the Rice County assessor had assessed their stock at 100 cents on the dollar, whereas the rule called for 70 per cent. They had repeatedly appealed to the county board to change the assessment, but they had declined. The St. Paul bankers claimed that they were assessed too heavily in proportion to the assessment levied on the jobbing houses. This is a complaint that has been made frequently before, but thus far the State boards have found no way out of the difficulty, although they generally admit that the bank assessments

may be a little high. Some of the banks have found a smooth way out of the difficulty, however, even if it is a little roundabout. The law provides for an assessment on the bank stock and the surplus, but the undivided profits are not assessed. At least one bank has been found in which the stock amounts to less than one-third the amount of the undivided profits. They simply allow the undivided profits to accumulate instead of increasing the stock. The board will attempt to meet this by recommending the adoption of a rule providing for the assessment of undivided profits to 25 or 30 per cent of their value.

WINDOM, MINN.—The Bank of Windom is just finishing the exterior of its fine two-story brick block southwest of the public square, furnishing some of the best banking accommodations in Southwestern Minnesota. The bank recently increased its paid-up capital to \$65,000, making a total banking capital for Cottonwood County of nearly \$150,000, a considerable part of which is owned by farmers. Another brick block is going up on the public square, and the foundations are going in for the new temperance temple and hall.

OHIO.—The Comptroller of the Currency has appointed Chas. T. Jamieson, of Urbana, Examiner of National Banks for the State of Ohio.

MILWAUKEE, WIS.—The Wisconsin National Bank of Milwaukee has been organized at a meeting of stockholders held in the office of Winkler, Flanders, Smith, Bottum & Vilas. The name given above was formally adopted, and the capital of the bank was fixed at \$1,000,000. The following board of directors was chosen: Frederick Pabst, Philetus Sawyer, of Oshkosh; A. K. Hamilton, Edward Bradley, A. A. L. Smith, E. P. Matthews, Charles Schriber, of Oshkosh; David Adler, Charles Best, H. G. Freeman, of Appleton; and Charles Manegold, Jr. Capt. Pabst was elected president, but the bank will be managed by Robert Hill, who has been elected director and vice-president of the new institution. To be chosen to such a responsible position of what will be the largest banking house in the northwest is an honor the directors and stockholders are satisfied Mr. Hill fully deserves. Mr. Hill is well known in Chicago as well as in Milwaukee, and with his extensive business experience he combines a thorough knowledge of the banking business. He has been for many years a director of the Continental National and the American Exchange National Banks of Chicago, and has been interested, as a stockholder, in several other banking institutions. Although a resident of Chicago since 1881, he has kept up his social and business relations in Milwaukee, where he had been active up to that year, and consequently he knows the standing of nearly all the business men of the city, a knowledge valuable for successful banking. Mr. Hill will settle permanently in Milwaukee. All matters pertaining to the final organization of the bank, the engaging of clerks, bookkeepers, etc., are being handled by Mr. Hill. The election of a cashier will be decided on later. The bank floor in the new Pabst building is being rapidly fitted up for use, and it is hoped that the bank will be opened early in November. The Wisconsin National will make a total of eleven banks in Milwaukee, and it will have the largest capital of any bank in Wisconsin. At present the Wisconsin Marine & Fire Insurance Company Bank heads the list with \$500,000, and the National Exchange comes next, with \$400,000. All of the other Milwaukee banks are capitalized at \$250,000 or less, and the First National, of Appleton, stands third in the State, with \$300,000. The list of stockholders in the Wisconsin National is a long one, and the amount put in by each of the principal investors, including Capt. Pabst, is said to be \$25,000. The State reports also show that Capt. Pabst holds \$41,000 of the Second Ward Savings Bank stock. The new bank will bring quite an amount of outside capital to Milwaukee, for a number of the wealthiest lumbermen in the State are interested in it.—*Milwaukee Sentinel*.

MILWAUKEE.—The Merchants' Exchange Bank has decided upon a new departure. It will open a branch on the south side and two on the west side, and the arrangements for the opening of the same are nearly completed. The growth of the banking business in Milwaukee is keeping pace with the growth of the city in general. The business is spreading over a wide territory. Men for the management of these branches have already been selected, sites have been chosen, and plans for the buildings to be erected will be drawn without delay. By May 1 next the new branches are expected to be in complete running order. The branch

houses will not be run as separately incorporated institutions. They will serve merely as auxiliaries to the main bank on Michigan street. The capital stock of the Merchants' Exchange Bank is \$250,000, and the surplus is \$500,000. The surplus will probably be increased to \$750,000, making a total of \$1,000,000 capital. Herman G. Schmidt, Rudolph Nunremacher's brother-in-law, who is expected to come here next spring to live with his family, will probably, in view of Mr. Nunremacher's failing health, become president of the bank, and the bank, with the branches, will be run under his supervision.—*Milwaukee Sentinel*.

WEST SUPERIOR, WIS.—Within the past sixty days Superior bank and corporation stocks have risen in value materially, and a generally healthy condition in finances exists. Bank of Commerce stock has gone up from 130 to 136, and a proportionate increase took place in nearly all the other bank stocks. The State Bank of Wisconsin is now considering the increase of its capital stock to \$1,000,000, and will, it is stated on good authority, carry the proposition out.—*Superior Telegram*.

SOUTHERN STATES.

WASHINGTON, D. C.—A large number of guests gathered at the New Capital Savings Bank building, one evening last month, to rejoice with the company. The exercises of the evening were opened by the vice-president, Mr. J. W. Cole, who, in the name of the board of directors, presented to Mr. L. C. Bartley a handsome silver service, in token of their appreciation of his services as treasurer of the organization. Mr. John A. Lynch, Fourth Auditor of the Treasury, made a speech of congratulation to the officers and stockholders. Among those present were ex-Senator B. K. Bruce, Mr. S. J. Meigs, Prof. Joseph Storum, Mr. Howard Williams, Mr. and Mrs. W. H. A. Wormley, Mr. and Mrs. F. J. Grimke, Mr. and Mrs. Jerome H. Johnson, Gov. Gleaves and Mr. J. S. Gregg.

ATLANTA, GA.—The Bank of the State of Georgia, of Atlanta, one of Atlanta's oldest and soundest banks, has made a change in its business. The bank will discontinue the keeping of active mercantile accounts and the making of collections. All other branches of the banking business will be continued. Mr. F. M. Coker, the president of the bank, is a Nestor among Georgia bankers, he having established this bank twenty years ago. He has passed through all the panics of more than a generation, including that of 1857, and since, without a setback. The character of this bank makes all property of stockholders liable for all debts of the bank.

MACON, GA.—The *Macon Telegraph* says that "the savings banks of Macon are doing a large and prosperous business. They are conservatively conducted, and are popular institutions. The same seems to be the condition and record of most of the savings banks elsewhere."

CHARLESTON, S. C.—The special County Board of Equalization for the city of Charleston has assessed for taxation the several banks of the city, as follows :

First National Bank.....	\$380,628
People's National Bank.....	330,900
Bank of Charleston, N. B. A.....	242,282
Carolina Savings Bank.....	180,000
S. C. Loan and Trust Co.....	131,542
Germania Savings Bank.....	107,778
Miners and Merchants' Bank.....	60,960
Charleston Savings Institution.....	46,800
Security Savings Bank.....	36,600
Exchange Banking and Trust Co.....	30,000
Dime Savings Bank.....	18,900
State Savings Bank.....	18,000
Hibernia Savings Bank.....	18,000
American Savings Bank.....	13,077
Nickel Savings Bank.....	6,000

PACIFIC STATES.

SAN FRANCISCO.—The Hibernia Savings and Loan Society has completed its handsome new granite building. For twenty years past it has grown and prospered in the old brick building it has just deserted, and where up to closing time long lines of depositors waited their turn as usual to add fresh savings to their

swelling accounts or draw upon the funds they had previously laid away there. A look around the familiar old establishment showed nothing unusual to the observant eye. The clerks were all in their customary places, and the taking in and passing out of money proceeded, oblivious of any impending change. The business of this great savings institution will be transferred to its new center of operations, almost a mile away. The history of the institution is not uninteresting. It grew out of the needs of the miners, mostly Irish, who in the days of the placers often came to San Francisco with fortunes in their belts and needed a safe depository in which to place it, the savings banks at the time being, as a rule, mere traps for the unwary, which misappropriated the funds left in their care or invested them in wild speculations. Recognizing the need for such an establishment, a few wealthy men, among whom were Robert J. Tobin, C. D. O'Sullivan, Myles D. Sweeny, John McHugh, Mr. Callaghan and Mr. McCann, incorporated the Hibernia Savings and Loan Society on April 12, 1859, and opened a little office in Lucas Turner's Bank at the corner of Jackson and Montgomery streets. There it established a reputation for fair dealing and built up so large a business that it became necessary in a little while to move to more commodious quarters, which were secured in a neighboring building on Jackson street, just above Montgomery. Twenty years ago business compelled another move, and the building which has just now been deserted was put up and occupied. Here the bank enjoyed phenomenal prosperity, and at the last examination by the Bank Commissioners it was credited with a reserve fund of \$2,042,896.63. The only survivors of the original incorporators are Robert J. Tobin and John McHugh. Mr. Tobin's connection with it still continues, but John McHugh dropped out of the directorate many years ago.

Sterling exchange has ranged during September at from 4.86½ @ 4.88¼ for sight, and 4.85¼ @ 4.87 for 60 days. Paris—Francs, 5.18½ @ 5.15 for sight, and 5.19¾ @ 5.16½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85¼ @ 4.85½; bankers' sterling, sight, 4.86½ @ 4.86¾; cable transfers, 4.86¾ @ 4.87. Paris—Bankers', 60 days, 5.19¾ @ 5.18¾; sight, 5.17½ @ 5.16½. Antwerp—Commercial, 60 days, 5.20½ @ 5.20. Reichmarks (4)—bankers', 60 days, 95½ @ 95¼; sight, 95½ @ 95½. Guilders—bankers', 60 days, 40 1-16 @ 40¼; sight, 40¼ @ 40 5-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Sept. 6.	Sept. 12.	Sept. 19.	Sept. 26.
Discounts.....	5½ @ 6	5½ @ 6	6 @ 6½	6 @ 6½
Call Loans.....	4 @ 3	5 @ 3½	4½ @ 3	4 @ 3
Treas. balances, coin.....	\$94,908,051	\$93,874,269	\$93,853,250	\$93,791,924
Do. do currency.....	20,932,003	20,198,896	15,808,918	15,385,712

The reports of the New York Clearing-house returns compare as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Sept. 3...	\$457,101,700	\$79,557,100	\$55,324,700	\$509,005,200	\$5,426,800	\$7,610,500
" 10	482,120,400	76,577,900	53,232,300	500,126,900	5,533,400	4,781,975
" 17	475,311,500	75,711,900	52,126,900	491,836,900	5,603,600	4,879,575
" 24	466,657,700	73,443,000	51,738,800	450,522,900	5,645,200	5,051,075

The Boston bank statement is as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Sept. 3.....	\$167,140,000	\$10,102,000	\$5,958,000	\$145,145,000	\$4,907,000
" 10.....	167,051,000	9,976,000	5,337,000	145,311,000	4,887,000
" 17.....	164,880,000	10,002,000	6,028,000	146,009,000	4,830,000
" 24.....	163,374,000	10,182,000	6,734,000	144,307,000	4,860,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	Loans.	Reserves.	Deposits.	Circulation.
Sept. 3.....	\$109,880,000	\$36,528,000	\$118,138,000	\$3,545,000
" 10.....	110,683,000	34,849,000	117,482,000	3,548,000
" 17.....	111,081,000	33,138,000	116,954,000	3,549,000
" 24.....	110,818,000	32,166,000	114,915,000	3,552,000

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from September No., page 236.)

<i>State.</i>	<i>Place and Capital</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ARK....	Nashville.....	Howard Co. Bank.....	.....
	\$25,000	M. M. Spears, <i>P.</i>	D. P. Terry, <i>Cas.</i>
		W. H. Terry, <i>V. P.</i>	
DAK. N.	Forest River....	Forest River State Bank...	National Bank Republic.
	\$10,000	David H. Beecher, <i>P.</i>	Wm. G. Ballack, <i>Cas.</i>
		Sidney Clarke, <i>V. P.</i>	
"	.. Rugby.....	First Bank.....	.....
	\$10,000	E. Ashley Mears, <i>P.</i>	R. W. Akin, <i>Cas.</i>
GA....	Canton.....	Bank of Canton.....	.....
	\$25,000	Wm. S. Witham, <i>P.</i>	John B. Richard, <i>Cas.</i>
		Robt. T. Jones, <i>V. P.</i>	Ben. F. Perry, <i>Sec.</i>
"	.. Cochran.....	Cochran Banking Co.....	Hanover National Bank.
	\$25,000	A. J. Thompson, <i>P.</i>	Z. H. Clark, <i>Cas.</i>
		J. J. Taylor, <i>V. P.</i>	
"	Macon.....	Nat. Sec., Loan & Abs. Co.	Kountze Bros.
ILL....	Nauvoo.....	State Bank.....	.....
	\$25,000	Max Reimbold, <i>P.</i>	William Rupp, Jr., <i>Cas.</i>
		Ernest Heck, <i>V. P.</i>	
IND....	Hartford City..	Blackford Co. Bank.....	Western National Bank.
	\$50,000	Adelina Lupton, <i>P.</i>	John A. Newbauer, <i>Cas.</i>
		S. R. Patterson, <i>V. P.</i>	A. G. Lupton, <i>Ass't.</i>
"	.. Rossville.....	Bank of Rossville.....	.....
		(Paris & Nave).	Franklin C. Cassel, <i>Cas.</i>
IOWA..	Armstrong.....	Armstrong Bank.....	.....
	\$10,000	William Stuart, <i>P.</i>	Benj. F. Robinson, <i>Cas.</i>
"	.. Bussey.....	Bank of Bussey.....	.....
	\$15,000	Jesse Bussey, <i>P.</i>	Elmer A. Johnson, <i>Cas.</i>
"	.. Coggon.....	Coggon Savings Bank.....	.....
	\$13,000	Geo. W. Burnside, <i>P.</i>	John W. Funk, <i>Cas.</i>
		A. J. Ware, <i>V. P.</i>	
"	.. Colfax.....	Citizens Bank.....	National Park Bank.
		Daniel S. Couch, <i>P.</i>	William B. Wells, <i>Cas.</i>
		John F. Marsh, <i>V. P.</i>	
"	.. Ireton.....	First National Bank.....	Fourth National Bank.
	\$50,000	N. Kessey, <i>P.</i>	A. P. Owens, <i>Cas.</i>
		O. C. Post, <i>V. P.</i>	J. L. Johnson, <i>Ass't.</i>
"	.. Jefferson.....	Greene Co. State Bank....	Chemical National Bank.
	\$50,000	Mahlon Head, <i>P.</i>	Mahlon M. Head, <i>Cas.</i>
		Albert Head, <i>V. P.</i>	
"	.. Laurens.....	First National Bank.....	Chemical National Bank.
	\$50,000	F. H. Helsell, <i>P.</i>	W. A. McNee, <i>Cas.</i>
		J. P. Farmer, <i>V. P.</i>	G. E. McKinnon, <i>Ass't.</i>
"	.. Linden.....	Farmers & Merchants Bank	.....
	\$10,000	E. Johnson, <i>P.</i>	J. H. Camp, <i>Cas.</i>
		Geo. M. Young, <i>V. P.</i>	
"	.. Stanhope.....	Stanhope State Bank.....	.....
	\$25,000	L. L. Estes, <i>P.</i>	J. E. Sogard, <i>Cas.</i>
		H. E. Fardal, <i>V. P.</i>	
"	.. Wapello.....	Wapello State Sav'gs Bank.	Chase National Bank.
	\$30,000	Wm. G. Allen, <i>P.</i>	Will H. Colton, <i>Cas.</i>
		J. F. Heins, <i>V. P.</i>	
"	.. Woolstock.....	State Bank.....	.....
	\$25,000	L. L. Estes, <i>P.</i>	J. N. Omstead, <i>Cas.</i>
		L. L. Treat, <i>V. P.</i>	
KAN....	Galena.....	Galena National Bank....	.....
	\$50,000	J. Shomon, <i>P.</i>	W. E. Stice, <i>Cas.</i>
"	.. Pretty Prairie...	Farmers State Bank.....	Nat. Bank of North America.
	\$10,000	Joseph Baker, <i>P.</i>	Willis N. Baker, <i>Cas.</i>
"	.. Weir.....	Citizens Bank.....	Tradesmens National Bank.
	\$7,000	Edward Baker, <i>P.</i>	William M. Pye, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MICH...	Fowler.....	State Savings Bank.....	Chase National Bank.
	\$1,500	Constantine Gruler, <i>P.</i>	Delbert H. Power, <i>Cas.</i>
		Michael Spitzley, <i>V. P.</i>	
	..Hudson.....	Boies State Savings Bank..	National Park Bank.
	\$75,000	Stephen A. Eaton, <i>P.</i>	John H. Boies, <i>Cas.</i>
		James B. Thorn, <i>V. P.</i>	
MINN...	Butterfield	Bank of Butterfield.....	Gilman, Son & Co.
		(E. Sevaton & Co.)	J. E. Foss, <i>Cas.</i>
	..Cottonwood....	Bank of Cottonwood.....	Hanover National Bank.
			J. H. Catlin, <i>Cas.</i>
			Chas. Catlin, <i>Ass't.</i>
	..Hutchinson	Bank of Hutchinson.....	Nat. Bank Republic.
	\$25,000	Austin M. Woodward, <i>P.</i>	Wm. Davidson, <i>Cas.</i>
		Harold Thorson, <i>V. P.</i>	A. A. McRae, <i>Ass't.</i>
	..Minneapolis....	American Exchange Bank..	Bank of America.
	\$100,000	John F. Peterson, <i>P.</i>	John S. Nelson, <i>Cas.</i>
	..Minneapolis....	N. England Dime Sav. B'k..	
		Alden J. Blethen, <i>P.</i>	Frank M. Morgan, <i>Sec. & Treas.</i>
		S. E. Olson, <i>V. P.</i>	C. Wright Davison, <i>V. P.</i>
	..Minneota.....	State Bank.....	Mechanics National Bank.
	\$30,000	John Swenson, <i>P.</i>	Oscar L. Dorr, <i>Cas.</i>
		J. C. Peterson, <i>V. P.</i>	
	..Princeton.....	Citizens State Bank.....	National Bank Republic.
	\$30,000	Ham H. Whitmore, <i>P.</i>	Geo. A. Eaton, <i>Cas.</i>
		Joseph L. Brady, <i>V. P.</i>	
	..St. Cloud.....	Merchants National Bank..	Chase National Bank.
	\$100,000	C. M. Hertig, <i>P.</i>	O. H. Havill, <i>Cas.</i>
		M. Majerus, <i>V. P.</i>	
	..Wadena	Wadena State Bank.....	American Exchange Nat. Bank.
	\$30,000	Joseph U. Barnes, <i>P.</i>	Warren E. Parker, <i>Cas.</i>
		Philo B. Upson, <i>V. P.</i>	
MO.....	Linn.....	Bank of Osage Co.....	
	\$5,000	John C. Ferguson, <i>P.</i>	J. Rhey McCord, <i>Cas.</i>
		Robert S. Ryors, <i>V. P.</i>	
	..Silex.....	Silex Savings Bank.....	
	\$10,000	Norman Porter, <i>P.</i>	Walter E. Williams, <i>Cas.</i>
		Wm. W. Shaw, <i>V. P.</i>	
MONT...	Bozeman	Commercial Exchange B'k	
	\$40,000		Geo. L. Ramsey, <i>Cas.</i>
		Geo. Kinkel, Jr., <i>V. P.</i>	Geo. Cox, <i>Ass't.</i>
NEB....	Carroll.....	Carroll State Bank.....	National Bank Deposit.
	\$10,000	Herman H. Clark, <i>P.</i>	C. C. Freeburn, <i>Cas.</i>
	..Johnson	Farmers Bank.....	Importers & Traders Nat. Bank.
	\$15,000	Peter Berlet, <i>P.</i>	H. F. Will Gaede, <i>Cas.</i>
		J. T. Holtgrewe, <i>V. P.</i>	
	..Julian.....	Bank of Julian.....	
		J. E. Casselman, <i>P.</i>	C. L. Mesnet, <i>Cas.</i>
		L. S. Burgess, <i>V. P.</i>	
	..Tekamah.....	Burt Co. State Bank.....	Chemical National Bank.
	\$30,000	R. L. Adams, <i>P.</i>	H. M. Hopewell, <i>Cas.</i>
		H. S. M. Spielman, <i>V. P.</i>	Irma Harrington, <i>Ass't.</i>
OHIO...	Cleveland.....	Garfield Savings Bank Co..	Western National Bank.
	\$25,000	H. Clark Ford, <i>P.</i>	J. V. Dawes, <i>Sec. & Treas.</i>
		Darius Adams, <i>V. P.</i>	T. Spencer Knight, <i>V. P.</i>
OKL. T.	Tecumseh.....	Bank of Tecumseh.....	
	\$7,500	James H. Moxey, <i>P.</i>	John W. Lewis, <i>Cas.</i>
VA.....	Clarksville....	Planters Bank.....	
	\$11,800	John R. Leigh, <i>P.</i>	W. D. Blanks, <i>Cas.</i>
WASH...	Everett.....	Puget Sound Nat. Bank...	
	\$50,000		A. S. Taylor, <i>Cas.</i>
	..Everett.....	Fidelity Trust and Sav. B'k.	Fourth National Bank.
	\$50,000	Francis A. White, <i>P.</i>	Chas. B. Stackpole, <i>Cas.</i>
Wis....	Albany	Bank of Albany.....	
	\$6,000	(H. W. Simons).	
	..Cuba City.....	Cuba City Bank.....	Chase National Bank.
	\$10,000		Fred. L. Hambrecht, <i>Cas.</i>
	..Watertown....	Merchants Bank.....	Mercantile National Bank.
	\$75,000	Joseph Terbruggen, <i>P.</i>	Daniel H. Kusel, <i>Cas.</i>
		C. May, <i>V. P.</i>	

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from September No., page 234.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N.Y. CITY. N. Y. Co. Nat. Bank.....	Wm. H. Jennison, <i>V. P.</i>	Fred'k G. Lee.
" .. Bank of British N. America.....	Frank M. Breese, <i>Cas.</i>	Wm. H. Jennison.
ALA.... Bank of Piedmont.....	W. Lawson, <i>Agt.</i>	H. Stikeman.
CAL.... Wells Fargo & Co.'s Bank, San Francisco.	R. D. Crusoe, <i>Cas.</i>	E. Ledbetter.
COL.... Carbonate Nat. B'k, Leadville..	John J. Valentine, <i>P.</i>	Lloyd Tevis.
DAK. N. First National Bank, Cooperstown.	F. X. Hogan, <i>Ass't.</i>	E. Ashley Mears.
" .. Merchants Nat. Bank, Devil's Lake.	E. F. Tallmadge, <i>P.</i>	M. W. Buck, <i>Cas.</i>
DAK. S. Bank of Beresford.....	Ira M. Curtis.	John A. Percival, <i>P.</i>
GA.... First Nat. Bank, Cordele.	E. Ashley Mears.	H. K. Webster, <i>Cas.</i>
IDAHO... Coeur d'Alene Bank, Wallace..	J. S. Duncan.	W. E. Murphey, <i>P.</i>
ILL.... Georgetown Bank, Georgetown.	Geo. W. Marvin.*	E. De Lashmutt, <i>Cas.</i>
IND.... First National Bank, Connersville.	H. M. Davenport.	O. P. Clark, <i>Cas.</i>
" .. Citizens National Bank, Franklin.	C. E. Pritchard.	Chas. Mount, <i>P.</i>
" .. Merchants Nat. Bank, New Albany.	Francis T. Roots.	Jos. E. Huston, <i>V. P.</i>
" .. New Albany Nat. Bank, New Albany.	D. T. Roots.	Q. A. Mount, <i>Cas.</i>
" .. Farmers Bank, Otterbein.	Jas. M. McIntosh.	J. C. Mount, <i>Ass't.</i>
IOWA... First Nat. Bank, Grinnell.....	D. D. Banta.	J. W. Ragsdale, <i>V. P.</i>
" .. Bank of Pocahontas.....	Oren C. Dunn, <i>Cas.</i>	John H. Tarleton, <i>Ass't.</i>
KAN.... First Nat. Bank, Dighton.....	E. C. Hangary.*	J. H. Fawcett, <i>Cas.</i>
" .. State Bank, Marquette.....	W. P. Brewer, <i>Cas.</i>	M. A. Weir.
" .. Minneapolis National Bank, Minneapolis.	A. M. Smith, <i>P.</i>	W. J. McConnell.
" .. First Nat. Bank, Osage City.....	R. H. Bolt, <i>Cas.</i>	A. M. Smith.
" .. Manufacturers Nat. Bank, Pittsburgh.	Henry C. Spencer, <i>Cas.</i>	Chas. H. Spencer.*
KY.... Citizens Savings Bank, Owensboro.	J. H. Allen, <i>Cas.</i>	B. J. Allen.*
LA.... State Nat. Bank, New Orleans..	F. W. King, <i>Act'g Cas.</i>	O. A. Kinney, Jr.
MASS... Nat. Exchange Bank, Boston..	W. H. Chambers, <i>Cas.</i>	B. F. Bracken, <i>P.</i>
" .. Lawrence National Bank, Lawrence.	J. C. Gafford, <i>Cas.</i>	B. F. Bracken.
" .. Westboro Sav. B'k, Westboro..	W. W. Walker, Jr., <i>Ass't.</i>	R. G. Bracken.
" .. Whitman Nat. Bank, Whitman.	R. L. Brown, <i>Cas.</i>	R. L. Brown, <i>pro tem.</i>
MINN... State Bank, Anoka.....	Robert Robyn, <i>Cas.</i>	E. J. Buck.
" .. Seven Corners Bank, St. Paul.	Isaac N. Parrish, <i>Cas.</i>	Wm. H. Moore.
MO.... Bank of Edina, Edina.	J. H. O'Connor, <i>P. pro tem.</i>	Pierre Lanoux.*
" .. Continental Nat. Bank, Kansas City.	Harold Murdock, <i>Cas.</i>	J. J. Eddy.
" .. Farmers & Merch. B'k, Linneus.	Wm. P. Clark, <i>P.</i>	A. W. Stearns.
" .. Bank of Republic, Republic.	H. K. Webster, <i>V. P.</i>	Wm. P. Clark.
NEB.... First National Bank, Alma.	Alden L. Boynton, <i>P.</i>	Reuben Boynton.*
" .. Blue Hill Bank, Blue Hill.....	Bela Alden, <i>Cas.</i>	H. H. Melville.
	O. L. Cutter, <i>Cas.</i>	John M. Haven.
	C. A. Hawks, <i>Cas.</i>	Wm. B. Evans.
	Fred. J. Wilson, <i>Cas.</i>	James E. Adams.
	Chas. B. Linville, <i>Ass't.</i>	Fred. J. Wilson.
	G. C. Hayes, <i>Cas.</i>	C. E. Barnhart.
	C. W. Trumbo, <i>P.</i>	Jos. Combs.
	Geo. W. Brittain, <i>P.</i>	Geo. W. O'Neal.
	Paul Von Lossow, <i>Cas.</i>	Will W. Coover.
	J. S. Griffin, <i>V. P.</i>	Dan Sullivan.
	Dan Sullivan, <i>Cas.</i>	J. S. Griffin.
	J. O. Burgess, <i>P.</i>	R. A. Simpson.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
NEB....	Bank of Brock, Brock.	Emile Berlet, <i>P.</i>	Peter Berlet.
"	..Seven Valleys Bank, Callaway..	John Yout, <i>V. P.</i>	.....
"	..First Nat. Bank, Wood River	Thos. Norbury, <i>P.</i>	F. L. Haycock.
"	..Farmers & Merch. Bank, York..	E. S. Leavenworth, <i>Cas.</i>	H. Chamberlin.
N. H....	Milford Savings Bank, Milford..	M. Burns, <i>Cas.</i>	J. P. Hebard.
N. Y....	First National Bank, Watkins.	R. M. Wallace, <i>P.</i>	D. S. Burnham.
		Adrian Tuttle, <i>P.</i>	W. N. Love.*
		A. F. Chapman, <i>V. P.</i>	Adrian Tuttle.
OHIO....	So. Cleveland Banking Co., Cleveland.	C. P. Jewett, <i>P.</i>	Joseph Turney.*
ORE....	La Grande Nat. Bank, La Grande.	J. M. Church, <i>Cas.</i>	G. Pennell.
"	..First Nat. Bank (East Side), Portland.	Richard Williams, <i>P.</i>	W. Breyman.
		M. A. Stratton, <i>V. P.</i>	A. W. Bowman.
PA.....	Bucks Co. Trust Co., Doylestown.	Geo. Ross, <i>P.</i>	Richard Watson.*
"	..First National Bank, Rochester.	W. S. Shallenberger, <i>V. P.</i>	.....
		Chas. J. Wack, <i>Cas.</i>	W. S. Shallenberger
TEXAS..	First Nat. Bank, Ladonia.....	D. A. Duncan, <i>Ass't.</i>	H. T. Douglas, Jr.
VT.....	Northfield Nat. B'k, Northfield	H. R. Brown, <i>Ass't.</i>	.....
WASH..	Bellingham Bay Nat. Bank, New Whatcom.	Edw'd Eldridge, <i>P.</i>	F. M. Wade.
		Jas. W. Morgan, <i>V. P.</i>	Edw'd Eldridge.
		Chas. D. Francis, <i>Cas.</i>	Jas. W. Morgan.
QUEBEC.	Bank of British N. America, Montreal.	H. Stikeman, <i>Ass't Gen. M'g'r.</i>	.....
"	..Bank of Nova Scotia, Montreal	F. Kennedy, <i>Agt.</i>	T. V. McDonald.

* Deceased.

PROJECTED BANKING INSTITUTIONS.

- NEW YORK CITY.....Franklin National Bank, to be opened at Warren and Greenwich Streets.
- ARK....Newport.....New bank to be organized by Sigmund Wolff and others. Capital, \$60,000.
- COL....Denver.....Swedish-American Bank. Apply to G. Brandelle and H. R. Sahlgard.
- CONN...Bridgeport.....Dime Savings Bank to be incorporated.
- DAK. N. Emerald.....State Bank. John Birkholz, President; Wm. Whittemore, Vice-President; S. M. George, Cashier. Capital, \$20,000.
- GA.....Atlanta.....Mercantile Bank; capital, \$150,000. Mr. Young, of Pittsburgh, Pa., will probably be President.
- " ..Atlanta.....State Savings and Banking Co. E. C. Peters, President; W. J. Ottley, Cashier. Capital, \$100,000.
- " ..Warrenton.....New bank organized, with Wm. S. Witham, President; E. B. Farmer, Vice-President; J. A. Allen, Cashier.
- " ..Waycross.....Waycross Loan and Banking Co. J. S. Tart, Manager.
- ILL....Bement....State Bank of Bement; capital, \$25,000. Organizers: T. A. Dunn, Thomas Ater, J. C. McCord, W. G. Snyder, R. B. Monroe.
- " ..Chicago.....Henry L. Turner & Co. have opened a banking office at 90 Dearborn Street.
- " ..Dolton.....Dolton Military Bank. Incorporators: Wm. G. Dolton, George A. Dolton, Z. A. Neff.
- " ..Vermont.....First State Bank. Incorporators: D. M. Hetrick, Lewis David and G. W. Emerson. Capital, \$25,000.
- IOWA...Davenport.....Farmers and Mechanics Savings Bank. Incorporators: Fred. Heinz, John B. Meyer, Louis A. Ochs, George Mensel, Geo. Wolters, Ed. J. Dougherty, Rudolph Rohlf.
- " ..JewellState Bank of Jewell has commenced business.

- KAN....BaldwinNew bank ; capital, \$16,000.
- KY.....Lexington.....Safety Vault and Trust Co.
- LA.....Alexandria.....First National Bank. Directors : Hon. J. G. White, Bernard Ehrstein, J. A. Williams, O. M. Nilson, J. W. Cockerhill, C. E. Roberts, R. W. Bringham, S. Barrett, B. Turner.
- MD....CrisfieldNew bank proposed.
- MASS...Roxbury.....Roxbury Trust Co.; capital, \$200,000. W. A. Folsom, President ; C. L. Robbins, Secretary.
- ..Williamstown..New savings bank here. John Bascom, President ; A. E. Hall and D. J. Myland, Vice-Presidents ; Bushnell Danforth, Secretary and Treasurer.
- MICH...Morenci.....Bank of Morenci started business.
- ..Port Huron....Wm. Canham, Robert Walsh and Chas. Grieb are organizing the Second National Bank, with a capital of \$100,000.
- MINN...Mankato.....Mankato will open a savings bank soon.
- ..Princeton.....State Bank of Princeton ; capital, \$30,000.
- MISS...EuporaWebster Bank ; capital, \$6,400. J. R. Martin, President.
- ..Vicksburg.....Citizens Savings Bank.
- MO.....Ash Grove.....Swinney's Banking Co. Incorporators : W. H. Swinney, M. E. Swinney, J. F. Silver and others.
- NEB....Murdock.....State Bank of Murdock.
- N. H...Bristol.....Bristol Banking Co. Cyrus Taylor, President ; Ira A. Chase, Vice-President. Capital, \$25,000.
- N. J....Camden.....South Camden business men will start a new State bank.
- N. Y....Buffalo.....Empire State Savings Bank. Judge Daniels will be President.
- ..Buffalo.....New Trust and Guaranty Co. organizing. Directors : Geo. B. Forman, John Satterfield, Mills M. Barse, Amos W. Morgan.
- ..Glen Cove.....New savings bank to be started.
- ..Newburgh.....Mr. Philip A. Campbell, of New York, is organizing a trust company at Newburgh.
- ..Rochester.....Security Trust Co.; capital, \$200,000. Incorporators : Wm. S. Kimball, Arthur Luetchford, Granger A. Hollister, Arthur G. Yates, A. E. Perkins, Benjamin E. Chase, J. L. Judson, J. S. Watson, and others.
- N. C. .CharlotteMr. Walter Bren is organizing a new bank here.
- S. C...Camden.....Horry Savings Bank ; capital, \$30,000. B. G. Collins, President ; Evan Norton, Cashier.
- ..Florence.....South Carolina Banking Association ; capital, \$12,500.
- TENN..Chattanooga...Union Bank and Trust Co.; capital, \$50,000. F. F. Smith, President ; C. E. Severance, Cashier.
- ..Lewisburg.....Bank of Lewisburg ; capital, \$40,000. R. L. Adams, President ; W. D. Fox, Cashier.
- TEXAS.Llano.....Llano National Bank. E. M. Longcope, President ; S. Duncan, Cashier.
- ..Muenster.....O. E. Powers and F. A. Pizer are starting a bank.
- ..Taylor.....A People's bank to be established.
- VT.....Burlington....La Montague, Clark & Co., of New York, have opened a branch office at this place.
- VA....ClarksvilleNew bank, with capital of \$10,000, organized.
- ..Gordonsville....Virginia Collection Agency Bank.
- ..Warrenton.....New National bank to be organized.
- WASH..Spokane.....Security Investment Co. O. B. Nelson, President ; E. M. Lowmes, Vice-President ; Samuel R. Stern, Treasurer ; H. J. Cook, Secretary and Manager. Capital, \$25,000.
- ..Spokane.....Union Loan and Trust Co ; capital, \$200,000.
- WIS....Racine.....Commercial and Savings Bank ; capital, \$100,000. Mr. E. C. Deane has secured the charter.
- ..Racine.....State Savings Bank ; capital, \$90,000.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during September, 1892.

DAK. N. Grand Forks... Merchants National Bank, by A. W. Warren and associates.
 FLA.... Palatka..... Putnam National Bank, by George L. Pace, Jacksonville, Fla., and associates.
 KY..... Glasgow..... First National Bank, by W. B. Smith and associates.
 MD..... Salisbury..... Farmers and Merchants National Bank, by N. T. Fitch and associates.
 MO..... Carthage..... Carthage National Bank, by D. R. Goucher and associates.
 MONT... Kalispell..... Conrad National Bank, by Charles E. Conrad and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from September No., page 238.)

No.	Name and Place.	President.	Cashier.	Capital.
4794	First National Bank.....	N. Kessey, Ireton, Ia.	A. P. Owens,	\$50,000
4795	First National Bank.....	F. H. Helsell, Laurens, Ia.	W. A. McNee,	50,000
4796	Puget Sound National Bank....	Everett, Wash.	A. S. Taylor,	50,000
4797	Merchants National Bank.....	C. M. Hertig, St. Cloud, Minn.	O. H. Havill,	100,000
4798	Galena National Bank.....	J. Shomon, Galena, Kan.	W. E. Stice,	50,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from September No., page 239.)

NEW YORK CITY..... Kavanagh & McAleenan retired from business.
 CAL.... San Luis Obispo. First National Bank has gone into voluntary liquidation.
 DAK. S. DeSmet..... First National Bank has gone into voluntary liquidation.
 GA. Canton..... R. T. Jones succeeded by Bank of Canton, incorporated.
 ILL..... St. Charles..... J. C. Baird & Co. succeeded by Bowman, Warne & Stewart, same correspondents.
 IND..... Otterbein..... Farmers Bank incorporated.
 " .. Sheridan..... Bank of Sheridan succeeded by State Bank, same officers and correspondents.
 IOWA... Alvord..... Bank of Alvord succeeded by Alvord Savings Bank.
 " .. Colfax..... Commercial Bank succeeded by Citizens Bank, private.
 " .. Ireton..... Bank of Northwestern Iowa succeeded by First National Bank.
 " .. Jefferson..... Greene Co. Bank (Head Bros.) succeeded by Greene Co. State Bank, incorporated.
 " .. Laurens..... Bank of Laurens succeeded by First National Bank.
 KAN.... Galena..... Bank of Galena succeeded by Galena National Bank.

- MICH...Brighton.....G. J. Baetcke & Co. succeeded by Baetcke, Fry & Co.
 • ..Brown City....Brown City Bank (M. H. Norman & Co.), now Noble & Benedict, proprietors.
 • ..Fowler.....D. H. Power & Co. succeeded by State Savings Bank.
 • ..Hudson.....Exchange Bank (Boies, Eaton & Co.) succeeded by Boies State Savings Bank, incorporated.
 MINN...PrincetonMille Lacs Co. Bank succeeded by First National Bank, same officers and correspondents.
 NEB....Crete.....State Bank closed.
 • ..Lodge Pole....Bank of Nebraska removed to Sidney.
 • ..Norman.....Bank of Norman (Kingsley Bros.) closed.
 • ..Tekamah.....Hopewell & Harrington succeeded by Burt Co. State Bank.
 N. Y...BuffaloBank of Buffalo; Josiah Jewett, Vice-President, resigned.
 Wis...Eau Claire.....Eau Claire National Bank; C. A. Stouch, Ass't Cashier, resigned.
 ONT....Tottenham. ...H. C. Aitken closed business.

DEATHS.

ALLEN.—On August 24, aged twenty-eight years, B. J. ALLEN, Cashier of Bank of Pocahontas, Iowa.

BOYNTON.—On September 10, aged seventy-eight years, REUBEN BOYNTON, President of Westboro Savings Bank, Westboro, Mass.

CLEMENT.—On September 29, aged sixty-seven years, STEPHEN M. CLEMENT, President of Marine Bank, Buffalo, N. Y.

ELMER.—On September 9, aged fifty-nine years, HOWARD ELMER, President of First National Bank, Waverly, N. Y.

FORD.—On August 21, aged forty-four years, WILLIAM P. FORD, Cashier of Merchants and Farmers Bank, Shreveport, La.

FRENCH.—On August 6, aged fifty-six years, T. L. FRENCH, President of People's Bank, Wahpeton, N. Dakota.

HANGARY.—On September 10, aged forty-four years, E. C. HANGARY, Cashier of Merchants National Bank, New Albany, Ind.

KAVANAGH.—On September 11, aged thirty-two years, HENRY E. KAVANAGH, of the firm of Kavanagh & McAleenan, New York City.

LANAUX.—On September 6, aged forty-seven years, PIERRE LANAUX, President of State National Bank, New Orleans, La.

LOVETT.—On August 21, aged eighty-two years, DAVID LOVETT, President of Citizens National Bank, Greensburg, Ind.

PARIS.—On September 15, aged seventy-three years, U. G. PARIS, President of People's National Bank, Sandy Hill, N. Y.

ROBINSON.—On September 18, aged seventy years, JAMES D. ROBINSON, President of First National Bank and Grand Rapids Savings Bank, Grand Rapids, Mich.

ROOT.—On September 6, aged seventy-eight years, FRANCIS H. ROOT, President of First National Bank, Port Allegany, Pa.

SPENCER.—On August 15, CHARLES H. SPENCER, Cashier of First National Bank, Grinnell, Iowa.

STUBBS.—On September 14, aged fifty-seven years, GEORGE N. STUBBS, Cashier of Merchants' Exchange Bank, Philadelphia, Pa.

WASHBURN.—On September 28, aged sixty-three years, U. F. WASHBURN, President of People's Bank, Haverstraw, N. Y.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, SEPTEMBER, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in September.														
GOVERNMENTS.				RAILROAD STOCKS.										
Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.	Open- ing.	High- est.	Low- est.	Clos- ing.	MISCELLANEOUS.					
25, 1907... reg.	100	100	100	100	Col. Coal & Iron.....	38	43 3/4	36	42 3/4	Northern Pacific.....	20 3/4	20 3/4	17 3/4	17 3/4
45, 1907... reg.	114 1/2	114 1/2	113 1/2	113 1/2	Col., H. Valley & Tol.....	32 1/2	37 1/2	30 3/4	37 1/2	Do	55 1/2	55 1/2	47 1/2	47 1/2
45, 1907... coup.	115 1/2	115 1/2	114 1/2	114 1/2	Del., Lack. & W.....	132	133 1/2	125	133 1/2	Ohio & Mississippi.....	20 1/2	20 1/2	19	19
65, cur'cy, 1895, reg.	107	107	107	107	Den., Lack. & W.....	155 1/2	156	150	154 1/2	Ohio Southern.....	28 1/2	28 1/2	28	28
65, cur'cy, 1896, reg.	109 1/2	109 1/2	109 1/2	109 1/2	Do	48 1/2	49 1/2	46	48	Oregon Imp't.....	22 1/2	22 1/2	21 1/2	21 1/2
65, cur'cy, 1897, reg.	112 1/2	112 1/2	112 1/2	112 1/2	East Tenn. V. & G.....	4 1/2	5 1/2	4 1/2	4 1/2	Oregon Short Line.....	22	22	21 1/2	21 1/2
65, cur'cy, 1898, reg.	115 1/2	115 1/2	115 1/2	115 1/2	Do	—	—	—	—	Pacific Mail.....	31 1/2	31 1/2	30 3/4	30 3/4
65, cur'cy, 1899, reg.	118	118	117 1/2	117 1/2	Do	—	—	—	—	Peoria, Decatur & Evansville	17	17	17	17
					Evansville & T. H.....	—	151	136	11 1/2	Philadelphia & Reading.....	56 1/2	56 1/2	57 1/2	57 1/2
					Illinois Central.....	99	99	95 1/2	136	Pullman Palace Car Co.....	104	104	96 1/2	96 1/2
					Lake Erie and Western.....	73 1/2	75 1/2	72	75 1/2	Rich. & W. P. Term.....	8 1/2	8 1/2	8 1/2	8 1/2
					Do	—	—	—	—	Rome, W. & Ogd.....	—	—	—	—
					Lake Shore.....	133	133	127	130 1/2	St. Louis, A. & T. H.....	112 1/2	112 1/2	110	110
					Louisville and Nashville.....	109	109	105	109	Do	—	—	—	—
					Louisville, N. Alb. & Chic.....	67 1/2	68 1/2	64 1/2	66 1/2	St. Louis & San Francisco.....	—	—	—	—
					Manhattan Consol.....	25	25	20 1/2	133 1/2	Do	—	—	—	—
					Michigan Central.....	132 1/2	135	125 1/2	133 1/2	Do	—	—	—	—
					Mil., L. S. & W.....	105	106 1/2	103 1/2	105	St. Paul & Duluth.....	41	41	40 1/2	40 1/2
					Do	—	—	—	—	Do	—	—	—	—
					Min. & St. Louis.....	—	17 1/2	16	16	St. Paul, M. & M.....	113 1/2	113 1/2	104 1/2	104 1/2
					Mo., Kan. & Texas.....	42	47	42	42	Southern Pacific Co.....	35 1/2	35 1/2	34 1/2	34 1/2
					Missouri Pacific.....	59 1/2	62 1/2	57 1/2	57 1/2	Sugar Refineries.....	111 1/2	111 1/2	104 1/2	104 1/2
					Nash., C. & St. L.....	111 1/2	111 1/2	87 1/2	103 1/2	Texas & Pacific.....	12 1/2	12 1/2	8 1/2	8 1/2
					N. Y. C. & Hudson.....	117 1/2	117 1/2	107 1/2	108 1/2	Union Pacific.....	37 1/2	37 1/2	36 1/2	36 1/2
					Do	117 1/2	117 1/2	107 1/2	108 1/2	Wabash, St. Louis & Pacific.	10 1/2	10 1/2	10 1/2	10 1/2
					N. Y. C. & St. L.....	117 1/2	117 1/2	107 1/2	108 1/2	Do	24 1/2	24 1/2	22 1/2	22 1/2
					N. Y. L. E. & W.....	26 1/2	26 1/2	24 1/2	24 1/2	MISCELLANEOUS.	—	—	—	—
					Do	63 1/2	63 1/2	62 1/2	62 1/2	Am. Cotton Oil Trust.....	44 1/2	44 1/2	40	40
					N. Y. & New Eng.....	34 1/2	34 1/2	33 1/2	33 1/2	Nat. Lead Trust.....	41 1/2	41 1/2	38 1/2	38 1/2
					N. Y., Ont. & W.....	18 1/2	18 1/2	17 1/2	18 1/2	Tenn. Coal & Iron.....	34	34	32	32
					Do	14 1/2	14 1/2	13 1/2	13 1/2	Express—Adams.....	148	148	147	147 1/2
					N. Y., Sus. & W.....	16 1/2	16 1/2	15 1/2	16	American.....	121 1/2	121 1/2	119 1/2	119 1/2
					Do	66 1/2	66 1/2	65	65	United States.....	59	59	56	56
					Norfolk & Western.....	66 1/2	66 1/2	65	65	Wells-Fargo.....	146	146	143 1/2	143 1/2
					Do	66 1/2	66 1/2	65	65	Western Union.....	96 1/2	96 1/2	93 1/2	93 1/2
					Do	66 1/2	66 1/2	65	65	Wheel, & Lake E.....	27 1/2	27 1/2	26 1/2	26 1/2
					Do	66 1/2	66 1/2	65	65	Do	70	70	65	65

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

NOVEMBER, 1892.

No. 5.

THE REVIVAL OF THE STATE BANK NOTE CIRCULATION SYSTEM.

The movement for reviving the State bank note circulation system has received a sudden impetus. The system became extinct during the war, but did not die easily. The superiority of the National bank circulation, however, is so great that, whatever others may desire, noteholders do not desire a return to the old ways. With respect to the banks which desire the revival of the system, the principal aim is to make more money. The profit on circulation under that system at times was very large; and the temptation for banks to swell their issues to the utmost rarely ceased; but as there is hardly any profit whatever under the existing system, some of the banks which lived under the other, long for the old times in order to make something from this source. Besides, in many cases where banks have only small deposits, a profit on circulation would enable them to make enough to continue their business with satisfaction to themselves. With a profit from both sources, there are many banks which would make fair dividends which now are making hardly anything. Again, if this source of profit existed, banks would be started in many places which could not live under present conditions, and which would be a real convenience and assistance to the people of the community where

they were located. Such, in brief, are some of the reasons for returning to the State system.

There are other reasons given by other classes, to which due weight should be given. In the South especially, and in some portions of the West, business is not satisfactory, debts are pressing, and it is believed that if there was a new flood of currency debtors would be much relieved. If the currency was inflated and the farmer could get two dollars a bushel for his wheat instead of seventy cents, it would be easier for him to pay his debts; and also the cotton planter, if he could get ten or twelve cents a pound for cotton instead of seven cents.

In the olden times, when a king was heavily in debt, he cut his pieces of metal in two, and for each piece retained the same name, and declared them to possess the same debt-paying power. The debasing of the coin was a common method of squaring debts in those days. The Jews had a different way. Every fifty years the unfortunate were released from their indebtedness; all accounts were regarded as settled, and the poor debtor, thus released from his burden, and inspired with a new life and hope, started once more on a new career. This was called the year of jubilee, and thus it really was to those who were burdened with debts and in need of relief. For many years bankrupt laws have existed in all of the more civilized countries, enabling men to obtain relief under prescribed conditions. But a man dislikes to be called a bankrupt, and to take the benefit of such laws, if there is any mode of escape from them. One of the methods is to inflate the currency. This is the more modern method, and having had a fresh taste of it in the last thirty years, and remembering only what is agreeable, they are desirous of having another. They much prefer to square their accounts by a method of this kind than by a process of bankruptcy. So this class everywhere for years has been trying to expand the currency. At one time they favored the issue of more paper money by the Government; at another time they favored the unlimited coinage of silver; now they are in favor of reviving the system of State bank issues. In all cases the motive is the same, to increase largely the volume of currency, with the expectation that the markets will be quickened and that they will sell their products at higher prices, and thus pay their debts more easily than they can at the present time. This is the real genesis of the movement. It springs from the debtor class; and it may be added that this movement, in some form or other, will always be more or less active, for the reason that the debtor class is always with us.

One objection to any system which raises prices is, no matter how sound may be the currency issued, even though consisting wholly of gold, the number of debtors in the end is likely to be increased.

This is one of the worst consequences of inflating the currency. Probably many who are now in debt, having fully tasted the sweets of contracting debts, would pay up as soon as possible and contract no more; but if anything is certain it is that another class, and probably a larger, would rush more madly than ever into debt. If anything was preached to the people in the early sixties, when our paper money system was undergoing such a rapid process of inflation, it was this—pay your debts and be careful about contracting more, for a contraction of the currency and a downfall of prices are inevitable. It was then seen that go ever so far in issuing money and expanding prices, a collapse could not be avoided. This has been the history of every inflation movement of the currency in our country, in France, and more recently in the South American States. So much may indeed be issued as to sink the entire amount, but whenever this happens, prices also collapse, and the people begin anew. This result cannot possibly be escaped. Now the debtors were told this in season and out of season, and yet when prices began to fall it was found that while thousands of debtors had paid their debts, a much larger number had contracted new ones, and therefore, as a whole, they were in a far worse condition than before; and we have no doubt that this result would follow another expansion of the currency. Many would rejoice and pay their debts, and keep clear of them in the future; and another class would as surely contract new debts without any thought of the evil day. For this reason, then, any system of large inflation should be regarded with disfavor.

The history of the experiment of State bank issues is familiar. In most cases the experiment was most disastrous. The currency went forth like smoke, and only a small portion was ever redeemed. The record in the New England States and in New York was better, but in the Western and Southern States it was bad enough. This is admitted by all who favor a return to the State system; but they say, with the utmost confidence, having learned the evils arising from the old ways, we will do differently; we will establish a safe system and maintain it by proper legislation and watchfulness. To this it may be answered that in the olden time it was not impossible to have a good system; it was not a question of knowledge, but a question of inclination. The people in those days knew just as well as they know now that their systems generally were rotten and would perish. It is not true to say that they sinned entirely in ignorance; that the systems established were the best that could be invented. In Kentucky, for example, the law required at one time that a small amount of specie should be kept in a bank for the purpose of redeeming its circulation. A large number of banks were created nearly at the same time, and

this was the method of creating them. The legal amount of specie was bought in New York and deposited in a bank. The proper certificate was given for the amount, whereupon the proper certificate was issued authorizing the bank to begin business, then the specie was transferred to another body of men who used it in the same manner, and when all of the banks had been established, the specie was returned to New York and sold. The banks had a legal existence, issued their circulation for several years and made money thereon, but after a while the evil day came, the holders demanded payment, and then the banks collapsed. The State officers knew, and the banks knew, that the system was rotten to the core, and what is true in this case is equally true in many others. We might say that generally the people knew that the systems were unsound, but they did not care to make them better. There was not so much profit in a sound system; and what many sought to do who organized and conducted banks in those days was to make money; that was the chief object with them, and to do this a cheap and easy system was necessary.

We have no doubt whatever that a safe system can be established. In other words, we know enough to establish and maintain such a system; we have always known enough to do this; but will we do it? that is the question. Is there any more reason for supposing that we will establish and maintain a sounder system to-day than ever existed before; has our country grown better morally and commercially; in short, is there a single reason which supports this conclusion? We think not. On the other hand, all the facts point unerringly to the other conclusion.

A system of inflated currency always means a system of cheap currency; and a system of cheap currency means a poor system. It means a system based on a poor foundation; a cheap foundation. If, during the war, for example, everybody had believed that the National currency was as good as gold; would be surely redeemed; the inflation never would have reached the point that it did. There would have been some inflation, some increase of prices, but the increase was due to two reasons: first, the larger volume of currency in circulation; and secondly, the fear that it would not be redeemed in gold. It was a forced circulation; the Government did not intend to redeem it immediately; and whether it would ever do so was uncertain, and this fear affected its value. In other words, if the Government had issued the same quantity of gold, while prices would have been affected somewhat, yet they would have been affected less, even admitting that the gold had remained in the country, imprisoned here like the greenbacks, which had no value beyond our own borders. Now, if we returned to a State system, a great variety of securities would doubtless form the basis of circulation. If, however, the basis was confined only to the best

bonds and securities; bonds of railroad companies that are regularly paying dividends; Government bonds; municipal securities that are promptly and regularly paid and the like; they command such a high figure that there would be hardly any more profit on the circulation based on them than there is on the present circulation. Profits, therefore, must come from basing the circulation on inferior securities. We repeat, if only good securities were selected, the profits on the circulation based on them, after deducting State and other taxes, would not be much greater than they are at the present time. This does not seem to have occurred to some bankers who are in favor of returning to the old system, and yet who doubtless have in mind the issuing of a sound bank note currency. They have not stopped to consider what the securities will cost if they buy only such as really ought to form the basis of such a circulation.

So far as the people are interested in establishing such a system, of course, their principal object or hope is that by thus expanding the currency they will be able to borrow money at lower rates, besides having prices inflated in the manner above described. Perhaps a large increase of circulation might result in lower rates of interest, and yet even this may be questioned, for, if the prices of all kinds of merchandise should rise, the value of houses, lands, wheat, and cotton, and merchandise in general, why should not the rates of money also advance? It cannot be contended that at the present time there is a scarcity of money, for the true test of this is the rate of interest, and it never was lower. If persons are obliged to pay high rates, then their security is poor, or they are living in States which are badly governed, and where lenders are unwilling to put their money. If such persons desire to obtain a low rate of interest, they must offer good securities and improve their laws. The badness of the collection laws in some States—in other words, the unwillingness of the courts to enforce obligations promptly and efficiently, is the reason why debtors are obliged to pay high rates of interest; the risk of the lender is greater, and, therefore, he asks more for his money. This is a familiar fact which no one can question or deny. It is undoubtedly true that if the volume of currency was greatly extended; if a system was established whereby a bank could buy a printing press and make all the notes that were wanted, it would be inclined to take risks which are declined at the present time, and this would be a boon indeed to many borrowers, especially to those who are more desirous of borrowing than of paying afterward. A cheap system of money would probably have this effect; but would this be a good thing for the country? Is it a good thing to stimulate the improvident debtor; has not this been done too much already; is it not one of the evils from which we are suffering? Indeed

we are quite inclined to blame banks and other lenders, in many cases, for lending as freely as they have; and their failure to get their money back is only a proper punishment for thus accommodating those who were unworthy of trust.

There are forty-four States in the Union to-day, and admitting that the most of them would establish and maintain sound systems of paper money, it is too much to believe that all of the forty-four would do this. The temptation of some of them to establish cheap and easy systems of paper money, whereby those who were inclined to go into the business and flourish, would be too great to be resisted. If there were no other way, this class, who are always desirous of making a fortune in a day, no matter how, would look around and take possession of some State. We cannot help believing that they would find a State vulnerable enough to succumb to their attacks; for one can readily see that the sounder the systems were among the States, and the more generally such systems were adopted, the greater would be the temptation to establish a cheap and easy system somewhere, so that those who wish to make money rapidly, regardless of principle, could flourish. They would labor unceasingly until they succeeded in establishing a system whereby they could float a great mass of paper money at pleasure and without much security.

Two more thoughts are worthy the attention of bankers. First, admitting that they have learned the lesson of cheap money, and have no intention whatever of doing wrong should State systems be established, there is no security against the establishment of new banks by others who would be actuated by different principles. If there was money to be made by such a system, a new crop of banks would certainly spring up; for it must be remembered that only a system of free banking can possibly be established.

Secondly, not only would these banks furnish a large portion of the circulation, but they would compete with the older banks for business. The result would be not only to reduce the rates of interest, but to draw off deposits and all other kinds of business; and thus the existing banks, which complain the most of small profits, and are, perhaps, the most eager to change the system in order to increase them, would find themselves worse off than they are now. It is singular, indeed, that they are so short-sighted. If any class are to be injured by such a system, it is the existing banks. It inevitably means the creation of new banks; additional competition; the division of business and smaller dividends. Are not these results evident to all who stop to consider them?

A REVIEW OF FINANCE AND BUSINESS.

A MONTH OF GENERAL ACTIVITY.

For a presidential year, and a holiday month, October has been one of the best, from a business point of view, that has been experienced in years. This has been in part due to the accumulation of September business, that had been delayed by the cholera, and in part to the heavy movement of the crops; and, in fact, in a measure to the Columbian celebrations themselves, which brought an immense passenger traffic to the railroads, although at low rates; and millions of people to town as buyers of goods, both at wholesale and retail. Hence the increase in business has been general and well distributed East and West from the two great centers of trade and attraction, New York and Chicago, to which money and crops were brought, and from which goods were sent in increased volume. Not only has this improvement extended to most branches of legitimate business, but it has also stimulated speculation for higher prices in railway securities, or rather stocks, on an expected increase of dividends, based on the larger volume of grain moved during the month, as well as in September, than for the same period a year ago. This has not affected the demand for, nor the prices of railway bonds, however, to any extent, as the latter cannot participate in the increased earnings. Yet this is a significant fact, as it indicates that our railway bonds are held by investors who regard them as safe, being no longer footballs of speculation, as American railway stocks still are, the former having passed out of the stage of doubt as to the certainty of the payment of interest. The only question now, as to the great bulk of our railway properties, being the amount of dividends they will pay on their capital shares, and not as to their ability to pay interest on their bonded debt. This is a marked improvement in the position held by our railway securities in public estimation, both at home and abroad, and the result is seen in the returning foreign demand for our dividend-paying stocks, both for investment and speculation, now that the sale of our securities held abroad to obtain food to make good the deficit in Europe's last year's crops, and to enable Austria to resume the gold standard, has ceased.

THE IRON INDUSTRIES AND RAILROADS.

Nor is the revival of business confined to the railways and the demand for their securities. The great iron industry, which has hitherto lagged behind all others, instead of leading them as formerly, has shown marked improvement the past month in all depart-

ments except the steel, which had been more overdone by its too rapid development as a substitute for iron since its reduced cost of production, than the iron trade itself; and hence more time is required for its recovery. The department which has shown the greatest activity and strength in demand and prices has been that for structural iron, which has largely taken the place of timber for both bridges and buildings since the reduction in cost the past two years.

The railway branch is the least active department of the iron and steel trade, for the reason that railway building and extension has been at about the minimum the past season, while the capacity for production is up to the maximum wants of the past few years of activity in that line. But even here there is improvement in the demand from railways both East and West, for increased rolling stock, especially for freight cars, of which there is a worse famine than a year ago even, when there were not enough cars in the country to haul grain to the seaboard as fast as wanted for export. The difficulty now, however, is twofold; for while the movement of the crops has been greater this year than last, the export demand has been much less, until the elevators of the West, and of all points of accumulation on the great Lakes, are full, and the railroads are unable to get their cars unloaded to return to interior points with goods and to reload with grain. As a result there is a complete blockade of grain at all points west of the seaboard, and even the grain storage capacity of the Atlantic ports is fast filling up, in marked contrast to a year ago, when everything went through for Europe as fast as it arrived from the West.

THE GRAIN BLOCKADE.

This blockade is the worst at Chicago, where 10,000 cars are said to be filled with grain that could not be discharged for want of elevator room, and hence were standing on side tracks awaiting relief from shipments East by lake and rail, for which the lake tonnage and the capacity of the Trunk Lines combined were inadequate the last two weeks in the month. From this it will be seen that the growth of the country has nearly, if not fully, overtaken the extension of our great railway systems; for the crops of this year are only an average, and the export demand, though far less than a year ago, is about, if not a full average of the five years previous to 1891-'92. Of course, the reserves of last crop carried over into this are larger than the average, and they have helped to swell the largest grain movement, so far on this crop, in the history of the country. It is this catching up of the great grain-producing country west of the Mississippi River with the railway facilities that have been extended during the past ten years to the Rocky Mountains, that has placed our great railway properties

in the stronger position, financially, noted above. Old dividend payers are now increasing their dividends as a rule, besides adding materially to their rolling stock and equipment, while old non-dividend payers are again on the dividend list, headed by the great St. Paul system, which is now expected to remain there under its present management, with the growth of the Northwest, which does not leave that property wholly dependent upon the spring wheat crop, as in former times.

THE RAPID DEVELOPMENT OF OLD ROADS.

In this connection there is another fact of great importance in its bearings upon the future earning power of these great systems, which have ceased to be managed in the interests of speculative managers in Wall Street, and are now going through a reconstructive period, which is rapidly reducing railroading to a science, following the lead of the unrivaled management of the Pennsylvania Railroad. Speaking of this revolution in railway management the managers of several of the leading lines centering at Chicago expressed themselves to the following effect to a correspondent of the *Evening Post* of this city, who recently wrote:

The manager of one of the largest lines centering in Chicago said, "It is our aim to place our line in a physical condition that will enable us to handle a greatly enlarged business without entailing a corresponding increase in operating expenses. Hence we are making substantial improvements wherever it can be advantageously done." In this connection it is proper to say that there is a growing tendency to the use of heavier rails. The manager of one of the best-known lines in the country recently said: "The 66 and 70-pound rails are gradually giving way to 80 and 85-pound, which I think will prove more economical, as they furnish a more substantial, and in consequence a safer track, which is demanded by the large-sized cars and heavy locomotives now so rapidly coming in use." The introduction of the latter is also compelling the displacement of wooden trestles and bridges, as such structures are unable to support the heavy rolling stock and the increased loads carried. It is said that the main line of the Chicago, Burlington & Quincy has now only two wooden bridges on it, and they will be replaced with steel structures before the close of 1893. The wood trestles have also been replaced by steel, and the present and prospective low price of the latter material renders the cost of structures built exclusively with it not materially greater than if made of wood. The low rates of expense of maintenance, and the long service of steel bridges and trestles, compared with those built of timber, also demand that the latter be discarded as rapidly as possible. The cheapness with which low-grade trucks can be operated is also receiving the attention of railway officials, and nearly all the large corporations whose lines radiate from here are discussing the necessity of lowering their grades wherever possible. General Manager Merrill, of the Burlington system, in speaking of the advantage of low grades, said: "I consider the measure more important than the introduction of very large engines. The fact that the Lake Shore & Michigan Southern is able to earn good dividends and at the same time make heavy outlays for maintaining the physical condition of the property on such a high standard, is largely due to the reduction

of its grade during the last decade and a half. An ordinary engine will haul a very heavy train over a fifteen-foot grade with much greater ease than the same load can be moved on a twenty-foot grade by one of the large and heavy locomotives now being introduced on the New York Central and Pennsylvania systems. The saving in cost of track maintenance and motive power by lowering grades will also quickly pay for the work necessary to reduce the grades on most lines." Another experienced railway man was equally pronounced in favor of lowering grades, which he said when accomplished would enable the roads materially to enlarge their net earnings without any increase on the present tariff rates. He thought standard locomotives amply sufficient for the work, provided there was a lessening of grades, and that the large engines now coming into use were necessary only on the Eastern Trunk and Transcontinental lines, on which it is in many instances impossible to secure low grades. But he strongly favored the use of eighty to eighty-five pound rails when tracks are renewed, also the displacement of wooden trestles and bridges with steel. He thought the stockholders of railways could afford to wait for dividends while such improvements were being made, as the future earning power of their property would be materially increased.

THE MONEY MARKET.

There has been a hardening of rates for money, helped on by the larger institutions and lenders, until the call and time rates have come together at 5 to 6 per cent. Yet at the close there is plenty of money seeking employment at these rates, since foreign banks and bankers have been free lenders, as rates on the other side have not kept pace with our market, but rather have remained at old figures, for the reason that general trade and manufactures are as inactive there as they are active here. The enormous movement of grain at the West has required heavy shipments hence; but towards the close of the month the return flow began to offset the outward movement. As a result, the banks began to gain in their reserves, which had been practically exhausted during the month.

Gold has ceased to be exported, and there have been some predictions of imports before long, but they have not yet materialized, and sterling exchange has ceased to attract attention or be an important factor in the monetary situation. Silver has advanced in sympathy with the rupee in India and the demand from China, together with reduced production by our mines, some of which have been closed.

The prospects of some favorable action, in the direction of international bimetalism, by the coming conference, owing to the increasing unsatisfactory financial and trade relations of England with her Indian Empire, have also caused some investment and speculation in silver, on the belief that the late decline was too low and must be followed by a reaction, by the operation of the natural laws of supply and demand.

STATISTICAL POSITION OF THE PRODUCE MARKETS.

The statistical position of the leading produce markets at the middle of October, compared with a year ago, is shown in the following interesting table compiled by Clapp & Co., the bankers and brokers of 60 Broadway, this city:

				Range for Oct. 1892, to date.		Range for Oct. 1891.	
				High.	Low.	High.	Low.
COTTON STOCKS.							
World's Visible. All U.S. P'ts.				N. Y. Cotton Ex.		{ October... November... December... January....	
1892	2,695,402 b.	Liverpool.	274,000 b.	1,051,000 b.	613,000 b.	8.00	7.56
1891	2,268,878 b.	623,538 b.	726,850 b.	1,051,000 b.	613,000 b.	8.18	7.61
						8.29	7.74
						8.40	7.85
WHEAT.							
U. S. Visible.				N. Y. Wheat.		{ December... Wheat... December... May.....	
1892	51,284,000 Bush.	Stock, N. Y.	Stock, Chicago.	11,500,000 Bush.	8,301,000 Bush.	83 3/4	80 7/8
1891	27,755,056 "	5,184,361 "	3,411,423 "	11,500,000 Bush.	8,301,000 Bush.	80 1/2	75 1/2
						53 1/2	51 1/2
						54 1/2	52 1/2
CORN.							
U. S. Visible.				Chicago.		{ December... Wheat... May.....	
1892	11,316,000 Bush.	Stock, N. Y.	Stock, Chicago.	1,351,126 Bush.	2,903,000 Bush.	77 1/2	75 1/2
1891	7,546,584 "	900,695 "	1,661,412 "	1,351,126 Bush.	2,903,000 Bush.	83 1/2	80 3/8
						45 3/4	45 1/2
						48 1/2	42 3/4
OATS.							
U. S. Visible.				Oats...		{ December... May.....	
1892	7,213,000 Bush.	Stock, N. Y.	Stock, Chicago.	1,595,279 Bush.	1,109,802 "	33 3/4	31 1/4
1891	5,854,281 "	1,052,891 "	1,109,802 "	1,595,279 Bush.	1,109,802 "	30 1/2	30 1/2
						31 1/2	34 1/2
						11.50	10.70
						12.95	11.97
STOCKS OF CONTRACT PROVISIONS, CHICAGO.							
Pork.				Lard...		{ November... January....	
1892	125,307 Bbls.	20,457 Tcs.	30,902,462 Lbs.	125,307 Bbls.	20,457 Tcs.	7.67	7.40
1891	280,535 "	91,569 "	27,949,018 "	125,307 Bbls.	20,457 Tcs.	7.30	6.90
						7.25	6.87
						6.65	6.25
OLD PORK—1892, 2,100 bbls. 1891, 1,405 bbls. On Pas. WHEAT—1892, 23,300,000 bu. ; 1891, 32,664,000 bu.							
WHEAT—Indian Shipments, past week 60,000 bushels. Same week, 1891, 880,000 bushels.							
Do. Since April 1, 1892, to date, 23,300,000 bushels.							
Do. From April 1, 1891, to October, 1891, 35,120,000 bushels.							

† In connection with this table, the crops of last year are compared with those of 1892, figured upon the percentages of the Government Crop Report for October 10, as follows in round numbers :

Cotton, 7,750,000 bales, against over 9,000,000 bales in 1891; wheat, 520,000,000, against 612,000,000 bushels in 1891; corn, 1,675,000,000, against over 2,000,000,000 in 1891; oats, 615,000,000, against over, 650,000,000 bushels in 1891; rye, 31,000,000, against 33,000,000 bushels last year; barley, 65,000,000, against 75,000,000 last year; potatoes, 160,000,000 against 240,000,000 bushels last year. But the oat crop this year is much lighter in weight than last, and in bushels of 32 pounds will fall much short of the above figures. In the aggregate the food and feed crops named above are estimated by different authorities at 600 to 700 million bushels less than the enormous crops of a year ago. Yet the above figures for this year are a fair average for most of those crops. While the hay crop, except in the New England States, is generally better than a year ago.

Our exports of wheat and flour from July 1st to October 15, 1891, were 74,000,000 bushels, against 59,000,000 bushels this year, of which a greater proportion this year than last, was flour, or nearly one-half, against 40 per cent. same time last year. Exports of rye for same period last year were 3,200,000, against less than 250,000 this year. The number of hogs packed in the West April 1st to October 15 was 7,165,000 head, against 5,860,000 last year; and weight is five pounds more.

The above tables show cotton to be lower than in October last year, although there has been an advance of over two cents per pound from the lowest prices this year to the highest in October, or nearly \$10.00 per bale, of which one-half cent per pound was gained in the week ending October 22d, based on the unfavorable weather and crop reports from the South. This advance, if maintained will nearly make good the crop shortage.

The great decline in the price of wheat from a year ago, shown in the table, has been further increased since October 15, by continued enormous receipts at the West, and the same is true to a smaller extent of corn and oats, although the new corn crop does not move for a month or two more. Provisions, on the other hand, have advanced, in face of lower corn and a better crop than expected, owing to the unusually late and mild autumn, because the markets for hog products have been under the control of the Cudahy-Wright Bull clique in Chicago, which was caught with a load of provisions by the cholera, and the other big Chicago packers undertook to make them drop it and were caught in their own trap as they oversold the market, and the clique not only did not unload, but bought all the packers sold short. Hence, prices are purely fictitious, though receipts of hogs are falling off, because it pays farmers better to feed their corn at present prices of corn and hogs, than to haul the former to market.

GENERAL TRADE AND OUTLOOK.

The dry goods trade resumed its anti-cholera activity and strength so soon as that scare passed away early in the month, and the September loss has been nearly caught up in October, owing in part to the mild and late autumn. The coal trade has been better, as usual at this season, yet dull, as the warm weather and high prices have defied the anthracite combination to carry out their programme of still higher prices; and, already rumors of cutting September rates are current in the trade, as some large sales have been recently effected, when full prices could scarcely have been obtained. With the courts, the weather, the public, and the laws of trade against them, their plans look like failure to maintain old prices, much more to advance them further.

The protracted drought in the West and East alike, has affected the prices of farm produce in many cases by reducing the fall supplies, and for a time bulled the wheat market by delaying fall seeding, but rains late in the month at the West relieved the latter, though the East is still suffering. On the other hand, a wet harvest in England having reduced her wheat crop both in quantity and quality, and also decreased imports from India and Russia, have increased our export demand and prospects. As a whole, therefore, the outlook for, as well as the volume of business has improved during the month; and after election should improve still more, although it must be admitted that business has been far less affected than usual this campaign, notwithstanding, business issues have been uppermost in the public discussions.

H. A. PIERCE.

November Disbursements.—According to the *Daily Stockholder*, the disbursements on account of dividends and interest which are being made will attract more than the passing amount of attention. Interest becomes due and is payable on bonds of railroad and similar corporations having a par value of \$644,782,347, the interest amounting to \$17,282,751, being an increase over the corresponding month of last year of \$104,200. In addition to this, dividends have been declared or are payable during the month on stocks having a par value of \$453,195,700, the yield amounting to \$9,588,610, an increase of \$1,631,424 over November, 1891. The total disbursements aggregating \$26,871,361, as against \$24,972,084 last year. The city of New York disburses over two millions in payment of interest on the funded debt; other cities pay small amounts comparatively; a number of banks divide a portion of their earnings; many manufacturing corporations pay both interest and dividends, of which we have no record, so that we do not over-estimate the disbursement when we predict that the amount disbursed will reach \$32,000,000.

FINANCIAL FACTS AND OPINIONS.

The International Monetary Conference.—The session of the International Monetary Conference, which was postponed in consequence of the cholera, will be held in the month of November. The expectation of establishing some agreement for the more extended use of silver by the leading European nations has been lessened by the advent of a new party in power in Great Britain, whose chief is strongly opposed to this movement. As is well known, Mr. Gladstone is one of the rankest of gold monometalists, and has not shown the slightest change of mind on the subject. Of course, investors favor a rigid adherence to the gold monometallic policy, and also the bankers who deal in India exchange, because they are making great profits from the present fluctuations; but the great manufacturing interests of Great Britain are suffering in consequence of the enormous decline in silver. They believe that an agreement whereby silver can be used more largely and with less fluctuation will greatly improve international trade; and this opinion has unquestionably been spreading in Great Britain of late years. The Gladstone Government, however, seems to be inclined to pay no attention whatever to this opinion, and to maintain the existing policy, regardless of consequences to the manufacturing interests. Since the appointment of the commission to represent the United States at the conference, General Walker has declined to serve, and President Andrews, of Brown University, has been appointed in his place. The selection is excellent, for President Andrews is well equipped in every respect for the work. The American representative best known to the bankers of the country is the Hon. H. W. Cannon, president of the Chase National Bank, of New York, who for more than twenty years has been engaged in the banking business. In 1884 he was appointed Comptroller of the Currency by President Arthur, succeeding the Hon. John Jay Knox. His administration of the office was eminently successful, and since his resignation he has been serving most of the time as president of the institution above mentioned. In his report as Comptroller of the Currency, for 1884, he made the following suggestion in relation to silver legislation: "If it is for the best interests of the United States to issue a circulation based upon silver, (the Comptroller) believes that the circulation should be issued upon coin or bullion which contain a sufficient number of grains of silver to have an intrinsic value in the markets of the world to its nominal value . . . and (the Comptroller) is of the opinion that, under certain restrictions and regulations, it would be far more correct

in principle to issue silver certificates based upon a deposit of silver bullion, to be valued in the exact proportion of silver to gold, than to continue the issue of certificates under the present law." The results of the conference will be awaited with unusual interest, for if nothing is done, doubtless the opinion will be shared by many that it will be useless to make another attempt for international action to regulate the use and value of silver.

The Gold Supply.—The withdrawing of a million or two pounds of gold from the Bank of England recently has led to the usual scare, and the rate of interest has been advanced one per cent.; and yet, the English gold monometalists say there is gold enough and no one need fear a dearth in the supply. The unquestioned truth is, the facts almost daily contradict the assertions of these gentlemen. Of course, it is for the interest of the investor class to banish silver from the world's monetary circulation, and thereby enhance the value of their properties; but suppose debtors are too hard pressed, and in the end are driven into bankruptcy, what then? Justice requires that no more should be paid to the creditor than was received by the debtor; and this movement to banish silver, so far as it springs from a desire to get more than was paid, is neither founded on justice or honesty, and ought not to succeed. Again, it is said that gold is no dearer than it ever was, as prices have not lessened in consequence of a scarcity of the metal, but this proposition is more easily asserted than proved. One of the things which the international conference might do is to appoint a committee to make a thorough investigation of this subject, for if the decline in prices can be traced in part to the European grab for gold, in other words, to a keener demand for that metal, there would be more justice as well as necessity in checking the movement, or at least in trying to save debtors from this attempt to increase their burden. The United States, as we all know, has been losing her gold, and while the supply of the Government seems to be ample, yet there is less in the banks and among the people, and everyone can see clearly enough that if fifty or one hundred millions are annually taken from the United States to supply Great Britain, Austria, Germany, and France, the time is not far distant when our poverty will be clearly manifest to all. Surely, in the light of these facts, which are so apparent to everyone, an inquiry of this sort is timely, and ought really to have been made as a preliminary to the International Monetary Conference.

Dear Gold.—In a recent issue the London *Economist* remarked that the actual price of silver was obtained by an artificial market, and that it would be well to close that market which the unwise

legislation of the United States has opened. A correspondent of the same journal, combating this argument, asks: "But what do you think would become of the price of gold, if all the Governments decreed to abandon gold and to accept silver as a standard currency? In 1852, when the production of gold was increased so largely in a short time, several nations were afraid of a depreciation of gold. Influenced by this fear, the Netherlands abandoned its gold standard and adopted silver as its standard instead. Now the very contrary is taking place." The correspondent urges that silver has not been mined to a point where the production has increased so rapidly as did that of gold in the early years of Californian and Australian mining. He concludes: "If all countries at once forbade the use of cotton for cloths, would not the price of cotton at once decline? So long as the principal countries, say, England, France, Germany, the United States, and Austria, continue to buy or coin gold at a fixed price, the price of gold cannot decline, even if the production were to increase tenfold. If, on the other hand, the above-named countries decreed to accept the silver standard, and all the banks and mints of these countries began to buy and coin silver at, say, the former price of about 60d. per ounce, and to sell gold, the price of silver would undoubtedly rise at once, and all the produced silver would flow into consumption, while the price of gold would greatly decline, because there was no longer an artificial market for gold. Would it not be far better to coin both gold and silver at a fixed ratio, as before? Undoubtedly. It is the only way to insure stability in exchange and the free flow of trade. Industry, agriculture, and trade would then improve and flourish again." Another Englishman says: "Gold is as much too high as silver is too low, but the former is not realized, as there are no daily quotations of it, as is the case with silver. I maintain that silver has not depreciated any more, and in some cases not so much, as other commodities which are paid for in gold or notes, based on a gold redemption. Gold has been so exalted in value that it can purchase, roughly speaking, double the amount of merchandise, produce, cotton, silver, copper, iron, and commodities than formerly. Trade, therefore, languishes, houses fall, nations default, incomes diminish."

Minnesota Farm Mortgages.—The Commissioner of Labor Statistics, Mr. Powers, has given out a partial report on the foreclosures of mortgages in 1891 compared with those in 1881, for the purpose of showing the condition of the farmers in this respect now as compared with what it was ten years ago. The report is incomplete as yet, and the portion made public is confined to twenty-two counties south of the Minnesota River. In that section of the State diversified farm-

ing is more generally practiced than northward. The figures so far as compiled are as follows:

<i>Counties.</i>	<i>Year.</i>	<i>Number of Fore-closures.</i>	<i>Number of Acres.</i>	<i>Amount of Decrease.</i>	<i>Average per Acre.</i>
Houston.....	1881	39	4,703.88	58,349.96	\$12.40
	1891	3	277.00	2,215.08	7.99
Fillmore.....	1881	92	10,472.20	122,375.91	11.68
	1891	18	1,759.39	19,784.27	11.24
Mower.....	1881	97	11,014.36	108,342.25	9.83
	1891	7	820.00	7,817.70	9.53
Freeborn...	1881	45	4,820.64	43,895.67	9.16
	1891	11	1,475.00	18,823.61	12.76
Faribault.....	1881	18	2,238.69	12,258.88	5.47
	1891	4	560.00	5,366.20	9.58
Martin.....	1881	13	1,346.93	7,740.67	5.75
	1891	7	997.66	6,448.40	6.47
Jackson	1881	9	717.91	4,080.20	5.68
	1891	10	1,293.22	7,640.54	5.90
Nobles.....	1881	28	3,448.12	16,430.73	4.76
	1891	8	1,120.00	2,509.65	2.24
Rock.....	1881	8	1,400.00	8,502.40	6.08
	1891	4	449.48	3,754.84	8.36
Winona.....	1881	49	4,845.85	48,457.29	9.65
	1891	8	1,325.00	13,310.90	10.03
Olmsted.....	1881	57	7,010.95	94,972.68	13.54
	1891	18	1,633.75	27,450.52	16.30
Dodge.....	1881	51	6,590.33	61,639.56	9.35
	1891	10	1,036.00	15,975.71	15.42
Steele.....	1881	29	2,979.23	28,925.11	9.71
	1891	8	756.37	5,294.37	7.00
Blue Earth.....	1881	32	3,034.04	34,147.93	11.25
	1891	6	292.60	5,445.47	19.19
Watsonwan.....	1881	13	1,460.20	7,600.89	5.21
	1891	6	623.50	3,936.25	6.33
Cottonwood.....	1881	11	1,731.35	6,626.64	5.56
	1891	8	700.00	6,293.04	8.15
Pipestone.....	1881	..	.....	.....	.....
	1891	9	1,080.00	8,650.54	8.01
Wabasha.....	1881	47	6,051.42	65,269.76	10.78
	1891	10	891.50	10,683.71	11.29
Goodhue.....	1881	60	6,623.42	94,889.40	14.32
	1891	13	1,820.00	33,731.45	19.83
Redwood.....	1881	10	2,420.59	15,712.45	6.49
	1891	2	280.00	1,200.00	4.25
Lyon.....	1881	12	1,611.20	8,615.56	.....
	1891	12	1,320.00	6,991.12	5.28
Lincoln.....	1881	1	160.00	479.86	3.00
	1891	7	1,407.50	5,825.47	3.97

The number of foreclosures of farm mortgages in the group of which the foregoing twenty-two counties are a part was in 1891 less than one-fourth of what they were ten years before. Some of these counties, as Mower and Fillmore, experienced in 1881 the same misfortune that overtook a few of the counties in group two in 1891. Up to that time they had depended almost exclusively upon one or two principal crops. A partial failure or depression of prices for two or three years brought much suffering. It also forced many farmers to sell out at a sacrifice, and many others lost their all by the foreclosure of the mortgages given to secure

debt. By the change to a diversified system of crops, a great change for the better begun. This change in varying degree is shown by this record of mortgage foreclosures.

The World's Bankers' Congress.—A committee of well-known bankers of Chicago has issued a preliminary address on the subject of instituting a congress of the bankers of the world, which shall be held at Chicago next year. Mr. Lyman J. Gage, president of the First National Bank of Chicago, is chairman of the committee. The object of the congress is to confer in a friendly way in relation to the pending financial problems which disturb more or less the peace of mankind; to advance sound financial ideas; to disperse fallacies in relation to the use of currency and credit; to encourage uniformity of coinage, commercial paper, bills of lading, and other instruments of business throughout the world, and the increase of commercial intercourse and friendly relations among all people. To this end the following questions have been sent to prominent persons for replies:

What general themes do you think it would be most useful to consider in the Bankers' Congress?

What eminent financiers will you recommend as best qualified to present such themes?

What general modes of proceeding would you recommend as likely to secure the most useful and satisfactory results?

British Investments in American Industries.—British investors have had occasion to express much dissatisfaction with their investments in American breweries three or four years ago. The London *Statist* has this to say upon the subject: "The English directors of some American breweries are now disposed to regard the disastrous state of their affairs as the result chiefly of bad management in America. It is to be noted, however, that in most cases this is the same management which, before the breweries were sold to English companies, had, according to the prospectuses, made them highly prosperous, and that, in some instances, the English directors, after visits to America, have expressed full approval of the management which is now strongly condemned. There may have been mismanagement, but the great mistake, as we have constantly pointed out, was that twice or three times their value was paid for most of the breweries, and the difficulties which were almost certain to arise in carrying them on by British companies were resolutely ignored."

Decline in British Shipbuilding.—The *Shipping Register* shows that last year there was built in British shipyards 1,031 vessels, with an aggregate tonnage of 1,293,558 tons; in 1890, the production was 1,276,129 tons; and in 1889, 1,326,140 tons, which last was the largest output ever recorded in the history of British shipbuilding.

while all three years record a larger tonnage than was turned out in the phenomenally active year of 1883. It is computed that at the present moment 15,000 men are idle between Glasgow and Greenock. This is due to the collapse in the Clyde shipbuilding trade. The decline has been steady and gradual—not the result of a sudden disaster, or of exceptional circumstances. Out of 148 building berths between Glasgow and Greenock, only forty-nine, or about one-third, are in use, and as this industry in good times employs from 50,000 to 60,000 men, it follows that there are between 30,000 and 40,000 men not at work on the Clyde, who find employment there when the trade is brisk. About one-third of this number is said to have migrated to Belfast and Barrow, and the east coast. Thousands of men are to be seen all day long standing idly at the street corners, with blank look and dejected air. In Dumbarton riveters are offering to work as laborers, rather than remain in idleness, but the Greenock platers are prevented from so occupying their time by the iron law which forbids their laborers working for less than 7d. an hour. This decline is very serious, and, of course, accounts to a considerable extent for the dullness in the British iron trade. In these days, no industry can decline without soon affecting all other industries. Everywhere is the complaint heard throughout Great Britain. Perhaps the shipbuilding trade is more subject to fluctuations of this character than any other large industry. It is something like railroad building in the United States. When this is very brisk all the iron and steel industries are fully engaged, which, in turn, bring activity to all other industries. On the other hand, when railroad building declines, the iron and steel industries are the first to feel the shock which sooner or later is felt by all others. The prospects for shipbuilding do not improve, but rather grow worse. Furthermore, American shipyards are becoming better equipped; and it is evident that very soon more ships will be built here, and that this country will have a larger share of the world's trade. In truth, it can hardly be questioned that all the more advanced nations are determined on the policy of giving employment to their own people; building their railroads and ships; making their cotton, woolen, and other goods, and, in short, largely supplying the more important needs of their people. This must leave for Great Britain only the less important nations: those having less money and poorer credit, like the South American States. Nevertheless, the English people have been wonderfully prosperous in the past; they have enormous investments all over the globe; they are owners of much of the best paying property in the United States, and, therefore, if the industries at home decline, there is not the slightest danger of want coming to their doors, but it would really seem as though the golden era of British industry was past.

BANK COLLECTIONS.*

[CONTINUED.]

MISTAKE AND FORGERY.

Money paid by a mistake and under a misapprehension of facts, when no neglect can be imputed to the payor in using the means of knowledge within his power, and when after payment the receiver's condition will be no worse than it was before receiving the money, in equity and good conscience ought not to be retained by him, and must be repaid. This principle of law is just and has been often approved. (*Bize v. Dickison*, 1 East 287; *Buller v. Harrison*, 2 Cowp. 565; *Milnes v. Duncan*, 6 Barn. & Cres. 671; *East Haddam Bank v. Scovil*, 12 Vonn. 303, 310; *Waite v. Leggett*, 8 Cow. 195; *Canal Bank v. Bank of Albany*, 1 Hill 287; *White v. Continental Nat. Bank*, 64 N. Y. 316; *Nat. Bank v. Nat. Mechanics' Banking Association*, 55 N. Y. 211; *Nat. Park Bank v. Seaboard Bank*, 114 N. Y. 28; *People's Bank v. Franklin Bank*, 88 Tenn. 299, 301; *Koontz v. Central Nat. Bank*, 51 Mo. 275.) "Care and diligence are not controlling elements. . . . It is a question of fact merely. The inquiry is, are the parties mutually in error, and did they act upon such mutual mistake?" (Hunt, Ch. J., *Kingston Bank v. Eltinge*, 40 N. Y. 391.) In *Kelly v. Solaril* the court said: "If the money is paid under the impression of the truth of a fact which is untrue, it may, generally speaking, be recovered back, however careless the party paying may have been in omitting to use due diligence to inquire into the fact." (*Marriott v. Hampton*, 7 East 269; 19 Mees. & Wels. 54.)

When, however, money is paid with a full knowledge of the facts, but under a mistake of law, it cannot be recovered. (*Mutual Savings Institution*, 46 Mo. 200; *Tyler v. Smith*, 18 B. Mon. 793; *City of Marietta v. Slocumb*, 6 Ohio St. 471; 2 Greenl. on Ev., § 123.) But if the law is doubtful, a collecting bank is not responsible for a loss caused by its lack of knowledge. This principle was applied in the following case: The holder of a post note, which had been issued by a bank that failed before its maturity, sent the same to another bank for collection. This bank demanded payment, and gave notice of non-payment to the indorsers on the day the note was due without grace, whereby they were discharged, on the ground that the promisors were entitled to grace on the note, although when solvent they had paid such notes without grace. The holder then brought an action against the collecting bank to recover damages for negligence in not making such demand

* Copyrighted by HOMANS PUBLISHING COMPANY.

and giving such notice as would hold the indorsers. At the time the note fell due it was shown that the question whether banks were entitled to grace on their post notes had never been decided, and that there was no uniform practice in demanding payment of these notes and of notifying the indorsers after the promisors failed. As the duty of the bank, therefore, in demanding payment and giving notice had not been clearly established, the action against it could not be maintained.*

Sometimes banks, with which drafts, checks, etc., are left for collection, presuming, after a due lapse of time, that they have been paid, pay the amounts to the persons depositing them. When this is done, however, and they are not paid, has a bank the right to recover? This question is answered affirmatively whenever the depositor's situation is not rendered worse than it would have been had payment not been made. "It is well settled," says Mr. Justice Bennett (*First Nat. Bank v. Behon*, 16 So. Rep. 369, Ky.), "that money paid under a material mistake of fact may be recovered back, although there was negligence on the part of the person making the payment. (*Mayer v. Mayor of New York*, 63 N. Y. 457.) If a negligent failure to ascertain the true state of the case before payment constituted a bar to the right to recover back the payment, 'it would be but rare that money paid by mistake could be recovered back.' The rule rests on the principle that one person shall not be enriched by another's payment to him of money under a mistake as to his legal or moral obligation to pay it. But this rule is subject to the qualification that the payment cannot be recalled, when the position of the person to whom the payment has been made has been changed to his prejudice towards his debtor, in consequence of the payment. In that case the person making the payment must bear the loss." (See *Commercial & Farmers' Nat. Bank v. First Nat. Bank*, 30 Md. 11, 16. See "Banks and their Depositors," Ch. XX., Payments through the Clearing House.)

In another case a bank which had forwarded a bill for collection to another bank, supposing that it had been paid, credited the depositor with the amount and afterwards paid it to him. The bill, however, had not been collected, and on discovering the mistake, the bank sought to recover back the money and succeeded.

* *Mechanics' Bank v. Merchants' Bank*, 6 Met. 13. Said Shaw, Ch. J., "It is undoubtedly a salutary maxim, that every man is bound to know the law, and that ignorance of the law excuses no one, yet these maxims must be confined to the cases for which they were adopted. . . . The maxim has no application to the duty of an agent, of whom ordinary skill only is required. Reasonable skill and knowledge only is demanded in every other branch of science; why should absolute knowledge and consummate skill be required in a department where it is often impossible to know the law in its application to a particular state of facts, until it has been authoritatively declared?"

(*East Haddam Bank v. Scovil*, 12 Conn. 303.) In thus paying the money to the owner of the bill before receiving positive intelligence from the collecting bank, the first bank followed a usage which prevailed among the banks in the State, and which was pronounced reasonable. Whenever bills are transmitted for collection to another bank and nothing is heard from it within a few days after their maturity, they are regarded as paid, and charged to it and credited to the owner. Whenever this is done and they are not collected, equity and good conscience require that the amount should be refunded.

Some illustrations of mistakes in paying notes and other instruments may now be described. In *Andrews v. Suffolk Bank* (12 Gray 461), a bank which had received a note for collection received the amount for the agent of A., the maker. The teller, by mistake, gave the agent a similar note of D., and sent the other note to the owner, who collected the amount of A. He then returned D.'s note to the bank, and demanded the money which he had paid to discharge his own note, but which, as above explained, the teller had misapplied. The bank was required to pay, Justice Merrick declaring that the appropriation "was wholly without authority from the plaintiff, although at the time when it was made they believed that the money was paid and delivered to them for that purpose. It was undoubtedly an unintentional injury to the plaintiff, and resulted from a mistake of one of the officers of the defendants, acting in the regular course and discharge of his duty. But the consequence of the mistake must fall upon the party by whom or by whose agent it was made. It affords no justification or legal excuse for the misappropriation of the plaintiff's money, and has no tendency to relieve them from a just accountability for it."

H. & Co., of New York, drew a draft on bankers in Baltimore, and sold it to a bank in New York. By the negligence of a bank in Baltimore, to which it was sent for collection, the draft was not collected. The drawees having failed, it was protested and returned to the bank in New York, which notified the drawer of the dishonor, and who, ignorant of the negligence of the Baltimore bank, paid the draft. They sued the Baltimore Bank in the name of the New York bank and recovered; their payment could not operate in any manner to discharge or suspend its anterior liability. (*Merchants' Bank v. Bank*, 24 Md. 12.)

In *Gilman v. First Nat. Bank* (63 Hun. 480), C. deposited with an Ohio bank a Kansas bond for collection which was sent to a Kansas bank and collected, and a sight draft for the amount on the plaintiff was transmitted to the Ohio bank. The Kansas bank, however, did not have a sufficient deposit to pay the draft in full, and the Ohio bank having learned this, requested the plaintiff to

apply whatever he had in that manner. He did pay the entire draft, and then sought to recover the difference on the ground of mistake, but the court said: "In the absence of any other testimony, it is quite clear this draft was paid in the usual course of business, and notwithstanding the plaintiff's testimony, it was not good in full on the day preceding its payment. We do not think a case of mistake was made, such as would entitle the plaintiffs to recover, and more especially as it is clear that by reason of the payment a protest of the paper was presented. It was a foreign bill."

In *Whiting v. City Bank* (77 N. Y. 363), a bank paid a note, charging the same to its customer's account, though he had not enough deposit at that time to pay the whole amount. This was done on the third day of July; on the sixth he failed. The bank had sent a draft in payment which it requested the payee to return, saying that it had remitted for the note by mistake. The only evidence to sustain this assertion was a telegram from the assistant cashier to the payee stating that the bank had remitted for the note by mistake, and a letter of a similar character with a statement that the note had been protested and the indorser notified. Evidence was given by the payee showing that the note had not been protested or notice of non-payment mailed until after the bank had learned of the failure of its customer. The court decided that no mistake had been proved, which justified the trial court in refusing to submit the question to the jury.

The effect of mistakes in entries in books and cancellations may now be considered. In *Vogel v. Ball*, 69 Texas 604, a draft was drawn on V. & R. in favor of H., and which was indorsed to B. for collection. B. stamped on the draft, "paid," and in this condition it was presented to V. and paid. It proved to be a forgery. V. & R. sued B. as an indorser, claiming that it was paid by mistake and in ignorance of the forgery. The court declared that the legal effect of the indorsement stamped on the draft, "paid," was a cancellation of the obligation, and a receipt for the money. . . . They were not indorsers of the paper, and could not be held liable as such, and hence it could not be said that the money was paid to them upon the faith of their indorsement. But would they be liable for money had and received upon the ground that the payment was made to them under mistake? We answer that they would not." (*Freeman v. Savannah Loan & Trust Co.*, 14 So. Rep. 577.)

In *Irving Bank v. Wetherald* (36 N. Y. 335), a bank purchased a note of another bank, which marked the same "paid" on receiving the money and delivering the instrument. The purchasing bank afterwards sought to recover the amount of the maker, who defended on the ground that it had been paid, and that the

indorsement above mentioned was evidence. But the court declared that by thus stamping the note, or marking it with the cancellation hammer, did not constitute payment. The mark only denoted that the note was charged. (*Scott v. Betts*, Lalor Supp. 363, and note; *Waterliet Bank v. White*, 1 Denio, 608. For other cases see Banks and their Depositors, § 356; *Turner v. Bank*, 3 Keyes 425; *McIntosh v. Tyler*, 47 Hun. 99; *German Nat. Bank v. Farmers' Deposit Nat. Bank*, 118 Pa. 294; *Steinhart v. Nat. Gold Bank*, 94 Cal.—and criticism on this case, § 202 c.)

In another case a bank at which a note was payable received the same from the holder for collection, and though the maker's account was not good for the amount the note was charged to him and paid to the holder. It was placed on a canceling fork, which, however, only denoted that it was charged. The maker contended that the note had been extinguished, and consequently that no suit could be maintained thereon, but the court declared that the bank was a stranger to the making and negotiation of the note and to the parties, and having paid it to the holder took it as a purchaser and acquired the rights and remedies of the holder to sue for and collect the same. (*Waterliet Bank v. White*, 1 Denio 608; *Mertens v. Winnington*, 1 Esp. N. P. 112; *Ogilby v. Wallace*, 2 Hall 553; *Canal Bank v. Bank*, 1 Hill 292.)

Though money paid by mistake can generally be recovered, the payment of forged paper has long formed an exception to the rule. In other words, whenever payment is made by the drawee of a forged bill or check to a holder without his fault, and his situation would be made worse if compelled to refund, the money cannot be recovered from him.* "The foundations of the rule,"

* Add to cases cited in Banks and their Depositors, § 193, the following: *Bernheimer v. Marshall & Co.*, 2 Minn. 78; *Goddard v. Merchants' Bank*, 4 N. Y. 147; *Northwestern Nat. Bank v. Bank of Commerce*, 17 S. W. Rep. 982, Mo.; *United States Nat. Bank v. Nat. Park Bank*, 13 N. Y. Supp. 411; *Stout v. Benoist*, 39 Mo. 277; *Bank v. Yost*, 11 N. Y. Supp. 866; 4 Harv. Law Rev. 297; *Nat. Park Bank v. Ninth Nat. Bank*, 46 N. Y. 77; *National Bank v. Nat. Mechanics' Bank's Assn.*, 55 N. Y. 211; *White v. Bank*, 64 N. Y. 316; *Redington v. Woods*, 45 Cal. 406; *Johnston v. Bank*, 27 W. Va. 343; *Rouvat v. Bank*, 63 Texas 610; *Bank v. Ricker*, 71 Ill. 439; *First Nat. Bank v. Indiana Nat. Bank*, 30 N. E. Rep. 808; *United States v. Nat. Exchange Bank*, 45 Fed. Rep. 163.

In *Janin v. London & San Francisco Bank*, Cal., De Haven said: "It is well settled that a bank in receiving ordinary deposits becomes the debtor of the depositor, and its implied contract with him is to discharge this indebtedness by honoring such checks as he may draw upon it, and it is not entitled to debit his account with any payments except such as are made by his order or direction. (*Crawford v. Bank*, 100 N. Y. 50; *Bank v. Risley*, 111 U. S. 125.) All unauthorized payments, such as upon forged checks, are therefore made at the peril of the bank, and it is not justified in charging them against the depositor's account unless some negligent act of his in some way contributed to induce

said Mr. Justice Ranney, "are sufficiently obvious. The party is supposed to know his own handwriting in the one case, or that of his customer or correspondent in the other, much better than the holder can; and the law, therefore, allows the holder to cast upon him the entire responsibility of determining as to the genuineness of the instrument, and if he fails to discover the forgery, imputes to him negligence, and, as between him and the innocent holder, compels him to suffer the loss."[†]

This rule can be applied only when the holder is wholly free from any act contributing to the mistaken payment. If both the paying or drawee bank and the receiver of the money are without fault, or the receiver has misled the bank, it can be recovered. (*Nat. Bank v. Bangs*, 106 Mass. 441, 445; *First Nat. Bank v. First Nat. Bank*, 151 Mass. 280, 282; *People's Bank v. Franklin Bank*, 88 Tenn. 299, 301.) Says Mr. Justice Devens (*First Nat. Bank v. First Nat. Bank*, 151 Mass. 280, 282): "In the absence of actual fault on the part of the drawee, his constructive fault in not knowing the signature of the drawer and detecting the forgery will not preclude his recovery from one who took the check under circumstances of suspicion without proper precaution, or whose conduct has been such as to mislead the drawee or induce him to pay the check without the usual security against fraud. (*Nat. Bank of North America v. Bangs*, 106 Mass. 441, 445.) When a loss which must be borne by one of two parties alike innocent of the forgery can be traced to the neglect or fault of either, it is reasonable that it should be borne by him, even if innocent of any intentional fraud, through whose means it has succeeded." (*Gloucester Bank v. Salem Bank*, 17 Mass. 33.) To entitle the holder to retain money obtained by a forgery, he should be able to maintain that the whole responsibility of determining the validity of the signature was placed upon the drawee, and that the vigilance of the drawee was not lessened, and that he was not lulled into

such payment in the first instance, or unless by his subsequent conduct in relation to the matter he is upon equitable principles estopped to deny the correctness of such payments. This view of the law cannot be well questioned, and finds abundant support in the decisions of courts." (*Shipman v. Bank*, 126 N. Y. 318; *Hardy v. Bank*, 51 Md. 562; *Weinstein v. Bank*, 69 Tex. 38; *Bank v. Morgan*, 117 U. S. 96.)

[†] Mr. Justice Devens has more recently repeated the rule in the following manner: "In the usual course of business, if a check purporting to be signed by one of its depositors is paid by a bank to one who, finding it in circulation or receiving it from the payee by indorsement, took it in good faith for value, the money cannot be recovered back on the discovery that the check is a forgery. It is presumed that the bank knows the signature of its own customers, and therefore is not entitled to the benefit of the rule which, in cases of forgery, permits a party to recover back money paid under a mistake of fact as to the character of the instrument by which the fraud has been effected." (*First Nat. Bank v. First Nat. Bank*, 151 Mass. 280, 282.)

a false security, by any disregard of duty on his own part or by the failure of any precautions which, from his implied assertion in presenting the check as a sufficient voucher, the drawee had a right to believe he had taken. (*Ellis v. Ohio Ins. & Trust Co.*, 4 Ohio St. 628; *Rouvant v. San Antonio Nat. Bank*, 63 Texas 610; *First Nat. Bank v. Ricker*, 71 Ill. 439; *First Nat. Bank v. Indiana Nat. Bank*, 30 N. E. Rep. 808 Ind.; *People's Bank v. Franklin Bank*, 88 Tenn. 299; *McKleroy v. Bank*, 14 La. Ann. 458.)

This rule with its qualification applies (1) to the signatures of the makers and drawers of notes, bills, and checks,* and (2) also to the terms of the instruments; but (3) not to the indorsements made on them. The drawee is supposed to be more familiar with the signatures of the makers than the presentors of those instruments, and consequently must suffer if he pays them unless he has been misled. He is also responsible for the original terms of the instruments, unless the makers were careless in leaving blanks, or in so writing them that alterations or forgeries were easy;† but he is not responsible for forged indorsements, for the obvious reason that he is not supposed to know the signatures of indorsers; indeed, must be necessarily less familiar with them generally than prior parties.

With this rule and its qualification before us, we will first describe when money paid by the drawee can be recovered. As an indorsement of negotiable paper is a warranty by the indorser to every subsequent holder in good faith that the instrument itself and all signatures antecedent to his indorsement are genuine, consequently, when forgeries have been perpetrated the indorser is liable on his warranty to the subsequent holder, without presentation for payment or notice of non-payment. (*Canal Bank v. Bank*, 1 Hill 289; *Marine Nat. Bank v. Nat. City Bank*, 59 N. Y. 67, 77; *Bank v. Union Bank*, 3 N. Y. 230; *Corn Exchange Bank v. Nassau Bank*, 91 N. Y. 74; *Nat. City Bank v. Westcott*, 118 N. Y. 468, 473.)

Does the same rule apply to a special indorsement, for collection or for some other similar purpose, and not for the purpose of transferring the property in the instrument thus indorsed, and render the indorser liable for the genuineness of the signatures or for the amount? The special indorsement clearly shows that the indorser retains his property in the instrument, and, therefore, as

* "Banks and their Depositors," Chaps. V. and VI. While the payment by a bank of its customers' checks and drafts by mistake, unless they also have been guilty of negligence, cannot be charged to their account, a bank which has paid a check on a forged indorsement is not responsible to the drawer if the forger was identified to the bank by one who believed him to be the payee, and was in truth the person to whom the drawer delivered the check, believing him to be the payee. (*United States v. Nat. Exchange Bank*, 45 Fed. Rep. 163.)

† *Crawford v. West Side Bank*, 100 N. Y. 50; *Hall v. Fuller*, 5 Barn & Cr. 750; *Roberts v. Tucker*, 16 Q. B. 560; *Smith v. Mercer*, 6 Taunt. 76.

we have already shown, no subsequent holder can become the owner unless by making specific advances or by agreement, nor can he be made liable on his own indorsement. This, however, has been attempted on several occasions. Thus, a check was drawn on the National City Bank, payable to A., or order, and afterward transferred by a general indorsement to the New York and Boston Express Company, which indorsed it "For collection," and delivered it to the Westcott Express Company to be collected. The agent of this company indorsed it in his own name and presented it to the National City Bank, which paid the money, and which in due time was delivered to the owner of the check. It was subsequently discovered that the check had been raised before it came into the possession of the New York and Boston Express Company. (*Nat. City Bank v. Westcott*, 118 N. Y. 468.) "If the Westcott Express Company," said the Court, "had been or had assumed to be the apparent owner of the check when it was presented to, and paid by, the plaintiff, the defendant would have been liable to reimburse the plaintiff." (*Canal Bank v. Bank*, 1 Hill 287; *Bank v. Union Bank*, 3 N. Y. 230; *Corn Exchange Bank v. Nassau Bank*, 91 N. Y. 74.) But the check was in fact sent to the defendant company for collection, of which the plaintiff was advised by the indorsement upon it to that effect made by the New York & Boston Dispatch Express Company. The defendant, therefore, represented that company, and in the relation of such agency received the money from the plaintiff. (*Montgomery Co. Bank v. Albany City Bank*, 7 N. Y. 459.) . . . The restrictive indorsement denied to the defendant the apparent title, and rendered the check non-negotiable, of which the plaintiff was advised by the restriction appearing by the terms of the indorsement. The defendant company took no title to it, and could transfer none. The right of the defendant, as the correspondent or agent of the other company, was to present the check to the plaintiff and receive the money. That was the import of the indorsement of that company. (*Sigourney v. Lloyd*, 8 B. & C. 622; *Hook v. Pratt*, 78 N. Y. 371; *White v. Nat. Bank*, 102 U. S. 658.) There was, therefore, no implied authority in . . . the agent of the defendant company to represent it in the transaction beyond what was requisite to the performance of the agency assumed by it, or was legitimately within its purposes. This imposed upon the defendant neither the duty to indorse the check nor to guarantee its genuineness.

Another case may be described, in which the same principle was applied. (*First Nat. Bank v. Yost*, N. Y. Supreme Court, 1891.) In the usual course of his business as a private banker, Yost cashed checks drawn on the plaintiff's bank. These were immediately indorsed "For collection," and sent to it for payment. The checks were charged to the account of the drawers, who had sufficient

funds on deposit with the bank to pay them, and the proceeds were remitted to Yost in accordance with the usual course of dealing between him and the bank. The drawers did not receive their vouchers from the bank until two months afterward, when the forgeries in their checks were discovered. It was decided that Yost by indorsing the checks did not guarantee the signatures of the drawers, and he was not compelled, therefore, to refund the money.

In *Northwestern Nat. Bank v. Bank of Commerce* (17 S. W. Rep. 982), a person having an account with the defendant bank at Kansas City deposited a draft drawn by an Omaha bank on the Northwestern Bank of Chicago. The defendant bank indorsed the draft for collection, and sent it to the Metropolitan Bank of Chicago to be collected. This was done through the Clearing House, and the forgery was not discovered until it reached the drawer. The drawee sought to recover of the Kansas City bank. It failed, however, the court declaring that the defendant by its indorsement warned the plaintiff that it was not intended to transfer the ownership of the draft or its proceeds, and hence the defendant did not guarantee the genuineness of the signature of the drawer, but it did guarantee that the payee's signature was genuine. . . The defendant owed plaintiff no duty. It simply presented for payment a draft purporting to be drawn by the Omaha bank, and it was the duty of plaintiff to know, before paying it, that it was in fact made by the party who appeared to be the drawer, and having failed to perform this duty, it cannot be heard to complain. The plaintiff attempted to show that the Kansas City bank was negligent in its dealings with its customer, but also failed in this regard.

This view of the law has been recently challenged in several well-considered cases. One of them was decided by the Supreme Court of Tennessee. (*People's Bank v. Franklin Bank*, 88 Tenn. 299. See notes to this case in 17 Am. State Rep. 889.) A bank paid a check to an unknown person without requiring his identification, and sent it to the drawee bank for payment. The report does not show what kind of indorsement was made. The check was paid, and afterward discovering that it was a forgery, the drawee bank sued the other and recovered. In delivering the opinion of the court, Mr. Justice Folkes said: "Notwithstanding some conflict of authority upon the subject, a careful investigation of the adjudged cases and the text-books leads us to the conclusion that the bank can recover of a party to whom payment is made on a forged check, indorsed by the party to whom paid, where the party to whom paid has been guilty of negligence in receiving and indorsing the check; for, notwithstanding the negligence to some degree that the paying bank has been guilty of in

paying the forged check without detecting the forgery of its depositor's signature, it often happens, or may happen, that the party to whom payment is made has been guilty of the first negligence in purchasing and indorsing the forged paper. The bank upon whom the check is drawn, in the practical administration of banking business, may well be lulled to a less careful scrutiny of its depositor's signature of a check, where the same is indorsed by another bank with which it is in correspondence or interchange of business, than it would exercise in accepting and paying the same check, not so indorsed, to a stranger. The indorsement of the check by the payee may be said ordinarily to be a guarantee of the genuineness of the indorsements theretofore on the paper, and also of the genuineness of the drawer's signature; subject, perhaps, to some exception in particular cases, as, for instance, where the indorsement is made after the genuineness of the preceding signature has been approved by the paying bank.

"Applying these principles to the case at bar, we are of opinion, and so adjudge, that the first fault was with the defendant bank. This bank accepted and cashed a check drawn on a bank in another county, to which the name of the drawer and the payee had both been forged, and, so far as the record discloses, without requiring any identification of the parties to whom such payment was made; certainly without preserving any evidence of the identity of such parties for the benefit of itself or of others who might be injured by such forgery. The complainant bank, upon receiving such check in due course of mail for deposit to the credit of defendant, might well rely upon the exercise of due prudence and diligence on the part of its depositor, the defendant bank, and might well regard the latter's indorsement of the check as significant of the fact that such prudence had been exercised, and, if not, that the indorsement would stand as a guarantee to the paying bank from loss that might otherwise fall upon it by reason of its passing the amount of the check to the credit of such indorser."

In *First Nat. Bank v. Indiana Nat. Bank* (30 N. E. Rep. 808), a forged order for the payment of money drawn on the plaintiff was indorsed in blank by the forger and discounted by the other bank, which also indorsed it to its correspondent, "For collection." The defendant's correspondent presented the order to the plaintiff, which paid the same. It was decided that the defendant by thus indorsing the forged instrument gave the transaction the appearance of a genuine one, and consequently the plaintiff was entitled to recover the amount it had paid. The court declaring that it could not be said that the appellee's indorsement of the forged instrument did not in some degree induce the payment of the money.

"We do not," continued the court, "think that the allegation in the answer, that the paper was indorsed by the appellee for

collection, can materially affect the question of laches." In the case of the National Bank of North America, 106 Mass. 441, the indorsement was for collection. (See, also, *Star Fire Insurance Co. v. New Hampshire Nat. Bank*, 60 N. H. 442.)

In *First Nat. Bank v. Northwestern Nat. Bank* (29 N. E. Rep. 884 Ill. 92), several checks, purporting to be indorsed by the payees, passed into the possession of C. & G., who indorsed them, "For deposit in the First National Bank to the credit of C. & G.," and which were subsequently indorsed, "Pay through Chicago Clearing House only to First National Bank," and which were presented in this manner and paid by the Northwestern Bank on which they were drawn. Their true character having been discovered, the Northwestern sued the other and recovered, the court holding that the First National by its indorsement had guaranteed the genuineness of all preceding indorsements.

[TO BE CONTINUED.]

TAXATION.

CIRCUIT COURT, D. MASSACHUSETTS.

City of Boston v. Beal.

Pub. St. Mass. c. 13, §§ 8-10, provide that shares of stock in all banks, State and National, shall be taxed to the owners thereof, to be paid in the first instance by the bank itself, which, for reimbursement, shall have a lien on the shares and all the rights of the shareholders in the bank property. *Held*, that no suit for this tax can be maintained against the receiver of an insolvent National bank where the property represented by the shares has disappeared; for, there being nothing from which the receiver can be reimbursed, the tax will fall upon the assets of the bank, which belong to its creditors, and thereby violate the rule that a State cannot tax the capital stock of a National bank.

COLT, Circuit Judge.—This is a bill in equity, brought by the City of Boston against Thomas P. Beal, receiver of the Maverick National Bank, to recover the sum of \$12,096 for taxes due October 1, 1891. The assessment was made under chapter 13, Pub. St. Mass. §§ 8-10, which are as follows:

"Sec. 8. All the shares of stock in banks, whether of issue or not, existing by authority of the United States or of the commonwealth, and located within the commonwealth, shall be assessed to the owners thereof in the cities or towns where such banks are located, and not elsewhere, in the assessment of all State, county, and town taxes imposed and levied in such place, whether such owner is a resident of said city or town or not. All such shares shall be assessed at their fair cash value on the first day of May, first deducting therefrom the proportionate part of the value of the real estate belonging to the bank, at the same rate, and no greater, than that at which other moneyed capital in the hands of citizens, and subject to taxation, is by law assessed. And the persons or corporations who appear from the records of the banks to be owners of shares at the close of the business day next preceding the first day of May in each year shall be taken and deemed to be the owners thereof for the purposes of this section.

"Sec. 9. Every such bank or other corporation shall pay to the collector or other person authorized to collect the taxes of the city or town in which the same is located, at the time in each year when other taxes assessed in the said city or town become due, the amount of the tax so assessed in such year upon the shares in such bank or other corporations. If such tax is not so paid, the said bank or other corporation shall be liable for the same; and the said tax, with interest thereon at the rate of twelve per cent. per annum from the day when the tax became due, may be recovered in an action of contract brought by the treasurer of such city or town.

"Sec. 10. The shares of such banks or other corporations shall be subject to the tax paid thereon by the corporation or by the officers thereof, and the corporation and the officers thereof shall have a lien on all the shares in such bank or other corporation, and on all the rights and property of the shareholders in the corporate property for the payment of said taxes."

The case was heard upon bill and answer. The bill alleges, in substance, that on or about September 22, 1891, a demand for the payment of the tax was mailed by the collector of the city of Boston to the bank, and that on October 19th the tax was committed to him by the assessors for collection; that the tax bills bear date October 1st, and, if not paid by November 1st, bear interest from the latter date; that on November 2d the defendant, Beal, was appointed receiver of the bank, and that all its assets and property have ever since been in his hands; that by virtue of the statute the bank became liable for the tax if it had not become insolvent, and said Beal had not been appointed receiver, and the city treasurer could have recovered the tax, with interest at the rate of 12 per cent. per annum, in an action of contract; and that it has a valid claim against the bank for the amount of said tax and interest. The bill prays that the court will order the receiver to pay over to the collector its proportionate share of dividends as they may be ordered to be paid to creditors by the comptroller.

The answer alleges, among other things, that said bank shares were not assessed at their fair cash value, and that on the 1st day of May, 1891, the market value of the shares, after deducting the real estate owned by the bank, as shown by actual sales, was \$240 per share, but that the value of said shares, based upon the actual value of the assets of the bank on May 1, 1891, as would have appeared had the bank been wound up on that day, was much less than \$240 per share, the difference being due to the ignorance of the public of the true state of the assets of the bank; that on November 1st, the comptroller, being satisfied that the bank was insolvent, ordered its doors to be closed, and a bank examiner to take possession of its property, and that subsequently the defendant was appointed receiver, and took possession of the assets of the bank, and is now engaged in converting them into money, for equal distribution among the creditors of the bank; that such funds are not liable for taxes assessed upon the shareholders, and that the plaintiff has no claim provable against such funds.

This suit was brought February 6, 1892, several months after the bank became insolvent. It was decided in *McCulloch v. Maryland*, 4 Wheat. 316, that a State law taxing a National bank was unconstitutional, on the ground that the power to tax implied the power to destroy. It has been held, however, by the Supreme Court, that a statute similar to that of Massachusetts was not unconstitutional, for the reason that such a tax is not a tax upon the capital of the bank, but a tax upon the shareholders on account of their shares. (*National Bank v. Com.*, 9 Wall. 353; *New Orleans v. Houston*, 119 U. S. 265, 7 Sup. Ct. Rep. 198; *Railroad Co. v. Pennsylvania*, 134 U. S. 232, 10 Sup. Ct. Rep. 533.)

The only question which arises in this case is whether, under the state of facts here presented, the receiver is liable. It appears that at the time this suit was brought the assets of the bank were in the hands of a receiver, and that the property representing the capital stock had been swept away. This tax, therefore, if held to be valid, is not a tax upon the shareholders, but a tax upon the assets of the bank which belong to the creditors. If the tax is paid by the bank, it can have no lien upon the shares of stock for repayment, as provided by section 10 of the statute above cited, because the property representing such shares has ceased to exist. Under these circumstances, I do not think that the receiver can be held liable for this tax, or that it is a provable claim against the assets in his hands. This case cannot be said to come within the reasoning of the rule laid down in *National Bank v. Com., supra*. If the action against the bank under the statute makes the bank the agent of the State to collect the tax, or if the action is to be considered in effect a form of trustee process for attaching the funds of the shareholders in the hands of the bank, it is too late to bring suit after the funds are no longer in existence from which the bank can reimburse itself. Bill dismissed, with costs.—*Federal Reporter*.

BANK COLLECTIONS.

SUPREME COURT OF OHIO.

City National Bank v. Clinton County National Bank.

Where a promissory note in the hands of an agent for collection is dishonored at maturity by the maker, it is the duty of the agent to take the usual and proper action required to charge the indorsers, and if, by reason of his neglect in this respect, an indorser is discharged, the agent becomes liable to his principal for the resulting damages.

Where a promissory note, successively indorsed by more than one is dishonored by the maker, the holder thereof may select any one of the indorsers whom he may wish to charge with liability, and notify him only; but if he passes by one or more of the later indorsers, and gives notice to an earlier one, he is not, for that reason, entitled to any longer time within which to give the notice than he would have had to notify his immediate indorser.

Where an indorser of a promissory note has been discharged by the laches of the holder, a subsequent promise by him to pay the note will not be binding unless shown to have been made with knowledge of the laches.

Where a bank, the holder for collection of a promissory note, by its negligence discharges an indorser, the latter is not estopped to set up his discharge, though the bank had at the time on deposit funds of the makers, which it afterwards paid out on the faith of an extension of time granted to the makers by the indorser, if, at the time the extension is granted, the indorser was ignorant of his discharge, and that the bank had indemnity within its control.

BRADBURY, J.—There is no conflict in the evidence relating to any material fact in this case. The petition avers that the plaintiff in error had purchased the note which is the subject of controversy between the parties hereto in due course of business before it became due. This, it is true, the answer of the defendant in error denies, but the cashier of the plaintiff in error, G. B. Harman, states directly and unequivocally in his deposition that his bank purchased the paper of the payee, S. J. Patterson, on August 20, 1888, five days after its date, at a discount of 7 per cent.; that the discount amounted to \$5.07—all which he says is shown by the books of the bank. Mr. Eichelberger, bookkeeper for Mr.

Patterson, is equally explicit. No attempt is made, by the cross-examination or otherwise, to cast a suspicion upon or to discredit these two witnesses, or impeach the correctness of the books of the bank; nor is any evidence adduced that in the slightest degree contradicts their statements. Under these circumstances, it cannot be presumed, even to support the judgment rendered, that the Court of Common Pleas found this evidence to be false, and totally disregarded it in making up its judgment.

The real contention between the parties was whether Patterson, the indorser of the promissory note, had been discharged from liability to the plaintiff in error by reason of the negligence of the defendant in error. The note had been transmitted to defendant in error for collection, and was not paid at maturity. If defendant in error, by its negligence, had discharged the indorser, then it should be held liable for the damages it thereby caused; but if, notwithstanding this alleged negligence, Patterson remained liable, it should be exonerated, for all the duty it owed to the plaintiff in error in case the note was not paid was to take such action as would charge the indorser. When the note matured, the defendant in error notified the makers, and one of them came to its banking house. A plain and simple duty then confronted the defendant in error—either to require payment of the note, or, in default thereof, to take such action as, by the law merchant, was necessary to charge the indorser. It did neither. That the note was conditionally paid, is suggested. What that may mean in this connection is not clear. No doubt that, as between the holder and the maker of a promissory note, a conditional payment may be made; but the rules of the commercial law require a holder, who intends to hold an indorser liable, to give notice to the latter of the default of the maker. Anything less than a full and absolute payment is a default, for nothing less than that measures the duty of the maker. In this case, however, there was no conditional payment made. True, the defendant in error had in its hands the means of enforcing payment, but did nothing. It simply accepted the maker's promise that, if Patterson did not give further time, they would pay the note. If the defendant in error had given notice to the plaintiff in error of the default of the maker, it would have discharged its duty, for it would have afforded the latter an opportunity to give notice to Patterson. (*Lawson v. Bank*, 1 Ohio St. 206.) It is true that the defendant in error could have passed by the plaintiff in error, and given notice of the maker's default directly to the indorser, Patterson, and thus fixed the latter's liability. This the defendant in error also failed to do. It is suggested that this failure was on account of ignorance of the residence or address of Patterson. If this was true, it constitutes no excuse, for (1) the defendant in error, in that contingency, not being able to discharge its duty in any other way than by a notice to the plaintiff in error, was bound the more strongly to notify the latter; and (2) the means of knowledge were at hand. Fulton, one of the makers of the note, was at the bank, and announced his intention to write to Patterson to obtain an extension of the time of payment. It was apparent from the conversation that he had with the officers of defendant in error that he knew Patterson's address, and an inquiry of him would have enlightened those officers; but the inquiry was not made. The makers of the note, Fulton & Peters, in fact wrote to Patterson for an extension, in the following terms: "Wilmington, O., October 19, 1887. Mr. S. J. Patterson, Dayton, O.—Dear Sir: We wish you would advise the Clinton County Bank to hold our note until November 5th, or, if you cannot do that, anyhow until the 25th inst. We cannot possibly meet it until at least that time; and oblige, yours, FULTON & PETERS." This is the only notice that Patterson received.

Whether a notice of the non-payment of a promissory note, given by the maker to the indorser, is sufficient to fix the liability of the latter, has not been determined by this court. The authorities upon the question are in conflict. The cases of *Johnson v. Harth*, 1 Bailey 482; *Rosher v. Kieran*, 4 Camp. 87; and *Chitty on Bills*, p. 495, note *u*, with some other authorities, seem to support the doctrine of the sufficiency of such notice, while the following cases deny it: *Stanton v. Blossom*, 14 Mass. 116; *Tindal v. Brown*, 1 Term R. 167, per Willes' opinion, 169, and Buller, J., 170; *Stewart v. Kennett*, 2 Camp. 177. Nor is the determination of this question necessary now, for, if a notice given by the maker to an indorser should be held sufficient to charge the latter, yet this letter of the maker is faulty in that it neither states that any demand of payment had been made, that the note had been forwarded to and was at the place of payment, or that it was due. If the court should go to the extent of holding that the indorser is bound to carry in his memory the due date of a note that he indorses, and must presume that its payment has been demanded at the proper time and place, all which is necessary to make this letter sufficient notice, was due diligence shown in giving the notice? The last day of grace was October 17th, and the letter was not written until the 19th, two days later. To constitute due diligence it should have been deposited in the post-office in time to have departed in the earliest mail to the residence of Patterson that departed after business hours on the 18th. (*Lawson v. Bank*, 1 Ohio St. 206.) It is true that, if the defendant in error had chosen to give notice of non-payment to the plaintiff in error, the plaintiff in error would have had one day after it received notice within which to give notice to Patterson, and in that case a notice given to the plaintiff in error to Patterson on the 19th of October would have been in time. (1 Pars. Notes & B. 513; *Lawson v. Bank*, 1 Ohio St. 206.) Where, however, a holder of a promissory note passes by an immediate indorser, and serves notice of non-payment upon one more remote, he cannot avail himself of the time the immediate indorser would have had to serve the remote one, if the holder had given notice to the former, but the holder in that case must give notice to the remote indorser within the same time that he is required to give it to the immediate indorser. (1 Pars. Notes & B. 514; *Dobree v. Eastwood*, 3 Car. & P. 250; *Simpson v. Turney*, 5 Humph. 419; *Roue v. Tipper*, 13 C. B. 249; *Marsh v. Maxwell*, 2 Camp. 210, note.) Therefore, if the letter of Fulton & Peters had been sufficient in form and substance to fix the liability of Patterson, it was mailed too late, and for that reason he was discharged.

This release of Patterson was an accomplished fact before the makers of the note applied to him to extend the time of payment. The omission of the bank to require payment, or, in default thereof, to give the necessary notice to charge Patterson, was caused by the solicitations of the makers, Fulton & Peters. The most careful scrutiny of the record fails to disclose that Patterson, up to this time, said or did anything to mislead the bank, or to induce it to relax its vigilance, or omit any step necessary in law to charge him as indorser. Patterson therefore had a perfect defense against any action to charge him as an indorser, unless, by his subsequent conduct, he has forfeited his right to set up this discharge. A subsequent promise to pay, when made with full knowledge of the facts, has been held to be evidence of a demand and notice, or to imply a previous waiver thereof. (*Myers v. Standart*, 11 Ohio St. 29; *Hibbard v. Russell*, 16 N. H. 410; *Robbins v. Pinckard*, 5 Smedes & M. 51; *Lewis v. Brehme*, 33 Md. 412; *McPhetres v. Halley's Ex'r*, 32 Me. 72; *Mense v. Osborn*, 5 Mo. 544; *Loose v. Loose*, 36 Pa. St. 538; *Kilby v. Rochussen*, 18 C. B. (N. S.) 357.) In the case under consideration, how-

ever, no promise to pay was made by Patterson, unless the following letter, written by him to Fulton & Peters in reply to theirs of the 19th of October, asking for an extension of the time of payment, can be construed into such promise: "Dayton, O., October 20, 1887. Messrs. Fulton & Peters, Wilmington, Ohio—Gentlemen: Yours of 19th at hand, and we have instructed our bank (to whom the note belongs, we having discounted same) to grant extension to October 25th. Please honor it at that time, and much oblige, yours truly, S. J. PATTERSON." If this letter should be construed to contain an implied promise to pay the note, yet, as it was written without any knowledge on the part of the writer that he had been discharged from liability, it does not fall within the principles upon which a subsequent promise to pay has been held to bind an indorser. (*Tebbetts v. Dowd*, 23 Wend. 379.)

Is Patterson estopped to set up his discharge by reason of his letter of the 20th of October, 1888, granting an extension to the makers of the note? On October 17, 1888, the day the note matured, one of the makers, Fulton, was called into the bank, and his attention directed to it. The makers then had funds in the bank which could have been applied to its payment, but upon Mr. Fulton's representation that his firm was pressed for means it was induced to indulge them until they could apply to Patterson for a short extension of the time of payment, promising to pay it if Patterson refused to extend the time. After two days' delay they wrote the letter of October 19th, to which they received, in answer, Patterson's letter of the 20th, granting the favor, of which the bank was at once advised. It thereupon continued to receive and pay out for the makers large sums of money, until November 1, 1888, on which day the makers assigned their property in trust for their creditors, having assets sufficient to pay only a few cents on the dollar of their indebtedness. No doubt, but for this letter of Patterson's, the bank would have charged this note against the maker's deposits, and in that way secured its payment. If Patterson had been informed of these facts, and chose to grant an extension to the makers, and the bank, relying thereon, had paid out all the funds of the makers before the assignment was made, and thus lost its means of indemnity, he should be held to abide the consequences. But he had no such knowledge. He neither knew that he had been discharged by the bank's neglect, nor that the bank had indemnity within its control. His granting the extension was an innocent act in itself, and he should not be charged with consequences that he had no reason to suspect would flow from it. On the contrary, the bank, defendant in error, was an actor in the entire transaction. With means of payment in its hands, it chose to indulge the makers in direct violation of its duty to the plaintiff in error. It knew this indulgence was granted to the makers of the note expressly to enable them to apply for an extension of payment to one who, upon the face of the paper, was only liable in case it did the very duty that it must of necessity violate to grant the indulgence; and when the letter from Patterson was made known to it, and it proceeded to act upon the extension granted, it had no reason to believe that he had granted the extension with knowledge of the facts, and it took no action to advise him of their existence. Under these circumstances, the defendant in error must be held to have assumed the risks that naturally flowed from its actions, one of which was that Patterson might avail himself of a defense thus afforded to him by its own negligence. As upon the undisputed facts the judgment should have been for the plaintiff in error, it becomes unnecessary to consider the other questions that arise upon the record.

Judgment reversed, and cause remanded for further proceedings.—*Northeastern Reporter*.

INSOLVENCY—RIGHT OF SET-OFF.

CIRCUIT COURT OF APPEALS, THIRD CIRCUIT.

Yardley v. Clothier.

The indorser of a note which is discounted by a National bank, and which matures after the bank becomes insolvent and a receiver is appointed, is entitled to set off against the note the amount of his deposits in the bank at the time of its failure. (49 Fed. Rep. 337, affirmed. *Armstrong v. Scott*, 36 Fed. Rep. 63, and *Stephens v. Schuchmann*, 32 Mo. App. 333, disapproved.)

Action by Robert M. Yardley, receiver of the Keystone National Bank, against George W. Clothier, as the indorser of three promissory notes. The Circuit Court held that defendant was entitled to set off against the notes the amount of his deposits in the bank at the time of its failure, and entered judgment for defendant, as provided in the case stated.

Before Dallas, Circuit Judge, and Wales and Green, District Judges.

WALES, District Judge.—The case stated shows that these were actions brought by Robert M. Yardley, receiver of the Keystone National Bank, against George W. Clothier, as the indorser of three promissory notes of the aggregate amount of \$390, which had been discounted by the bank for the defendant before the date of its insolvency, but did not mature until thereafter, and were duly protested for non-payment. On and before the day the bank was closed by the examiner it was indebted to the defendant, on his account as depositor, in the sum of \$1,127.96, which still remains unpaid, and the defendant claimed the right to set off so much of this deposit as would be sufficient for the payment of the notes.

It is assigned for error that the court below rendered judgment for the defendant in each case.

It is not strenuously denied that if the notes in suit had matured before the date of the bank's insolvency the right to set off a portion of the deposit equal to their amount would have been perfect; but it is contended that, the rights of the parties having become fixed at the date of the insolvency, to now allow the set-off of subsequently maturing notes in the hands of the receiver would effect a preference to the defendant over other creditors, and thereby violate certain provisions of the National banking act. The provision chiefly relied on is that contained in section 5,242 of the United States Revised Statutes, which provides—

“That all transfers of the notes, bills of exchange, or other evidence of debt owing to any National banking association, or of deposits to its credit; all assignments of mortgages, sureties [securities] on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its shareholders or creditors, and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another, except in the payment of its circulating notes—shall be utterly null and void.”

The rule of set-off is well understood to be that in all cases of mutual credit only the balance that shall appear to be due upon an adjudication of the mutual accounts should be paid, and it is that balance only which is the debt and is recoverable; that mutual obligations for the payment

of money cancel each other; and that the death or insolvency of either party will make no difference in the adjustment of their mutual accounts. This rule may be modified by exceptional circumstances, or by statute, but is generally applied as here stated. The allowance of set-off has been frequently objected to in the distribution of insolvents' assets and in the settlement of decedents' estates, for the reason that it would create preferences among creditors, but the controlling weight of authority has established the doctrine that, in the absence of express statutory prohibition, a set-off of a debt owing to the defendant will be allowed if it was due when the creditor's rights attached, whether the debt sued on was due at the same time or matured subsequently. In *Skiles v. Houston*, 110 Pa. St. 254, 2 Atl. Rep. 30, the defendant was sued by Skiles, as the administrator of Henderson, on a promissory note which Henderson had discounted for the defendant before his death, and which matured subsequently. Henderson had been a banker, at whose banking house the defendant kept a running account, and had on deposit there at the time of Henderson's death an amount nearly equal to that of the note, against which he claimed to set off the deposit *pro tanto*. Henderson's estate at his death was utterly insolvent. The objection was made that to allow the set-off would be, in effect, to prefer a creditor, and interfere with the due administration of the estate; but the court said:

"When the plaintiff's intestate died he was already indebted by a complete and perfect obligation to the defendant Houston. Suit could have been brought immediately by Houston, and recovery had for the whole amount, notwithstanding the note held by Henderson against Houston, because the latter was not yet due. It is evident, then, that when, upon Henderson's death, the note against Houston passed to his administrator, it did so clogged with the whole of Henderson's debt to Houston, for the very reason that it was a perfected debt at the time of Henderson's death. Nor, in such case, is Henderson's insolvency at all material."

In *Bosler's Adm'r v. Bank*, 4 Pa. St. 32, in which the facts were the reverse of those in *Skiles v. Houston*, the court decided that the set-off was not allowable for the simple reason that it would disturb the course of administration, because the debt owing to the bank by Bosler did not mature until after the death of the intestate, who had died insolvent, while the debt of the bank to Bosler was due at the time of the latter's death, and in the meantime the right of creditors of his estate had intervened. The decision in this last case has been commented on and explained by the same court on several occasions. In *Light v. Leininger*, 8 Pa. St. 403, it was held that a debtor may set off a debt due him by his creditor at the time of the latter's death, though the estate of the creditor be insolvent; and the court there said:

"The case of *Bosler's Adm'r v. Bank*, upon which the plaintiff hung his hopes, is not in point. The decision in that case went on the ground that the character of the claims was fixed at the time of the decedent's death; and, as the note of the defendant in that case was not due, his representative was entitled to demand and receive from the bank the amount of the deposit of the deceased as assets."

In *Jordan v. Sharlock*, 84 Pa. St. 366, the court said:

"When Bosler died, the bank had no debt for which it could sue, while Bosler's right of action was perfect before his death. But at the moment of his death the law took possession of his estate for the benefit of his creditors, he being insolvent. It was not the case of a mere voluntary transfer, but new rights sprung into being on the instant of his death."

In *Skiles v. Houston*, *supra*, the court makes the following comment:
"In the present case the defendant's right of set-off already existed at

the time of the plaintiff's [intestate's] death. But if it already existed it would be an anomaly that it is taken away by the non-maturity, at that same time, of the decedent's claim against him. Plaintiff's counsel admit, and it is undoubtedly true, that if the intestate's claim against the defendant was mature at the intestate's death, the right of set-off was complete. Why was it not equally complete in case of the immaturity of the intestate's claim? Certainly not because of anything decided in *Bosler's Adm'r v. Bank*, because that decision denied the right only because it did not exist at the death of the intestate, and, as other rights intervened at the moment of the death, they could not be impaired by a right which only came into existence subsequently. Here the right of set-off existed prior to the death of the intestate, and therefore prior to the rights of the other creditors to equal distribution. The distinction is very plain, and does not require further elaboration."

In *Re Middle Dist. Bank*, 1 Paige 584, the chancellor decided that any equitable offset which the debtor had at the time the bank stopped payment was not altered by the appointment of a receiver, and that it made no difference whether the debt of the bank was then payable or had become due since; and also that if the real debtor was unable to pay, and the receiver was compelled to resort to the indorser, who was eventually to be the loser, he had the same equitable right to set off bills which he had at the time the bank stopped payment. To the like effect is *Van Waggoner v. Gaslight Co.*, 23 N. J. Law 283, where it was held that "the assignees take a bankrupt's property in the same condition, and subject to the same burdens, as the bankrupt himself held it." In that case the Chief Justice said :

"I am of the opinion, both upon principle and authority, that the debtor of an insolvent corporation loses none of his rights by the act of insolvency, that he has the same equitable right of set-off against the receivers that he had against the corporation at the time of its insolvency; and consequently, that a debtor of the bank, whether his indebtedness has actually occurred or not at the time of the insolvency, may in equity set off against his debt either a deposit in the bank or bills of the bank, *bona fide* received by him before the failure of the bank."

In *Hade v. McVay*, 31 Ohio St. 231, which was an action by the receiver of an insolvent National bank against the defendants as drawers and acceptors, respectively, of a bill of exchange, the same general principle was recognized to this extent: That "the receiver holds to the bank and its creditors the relation, substantially, of a statutory assignee. A right of set-off, perfect and available against the bank at the time of his appointment as receiver, is not affected by the bank's insolvency. He succeeds only to the rights of the bank at the time it goes into liquidation." (See, also, *Clarke v. Hawkins*, 5 R. I. 224.) Most precisely in point is *Balbach v. Frelinghuysen*, 15 Fed. Rep. 685, where Judge Nixon says :

"I have much less difficulty with regard to the other question raised by the pleading and the evidence, to wit, the right of the complainants to offset the amount of their credits on the books of the bank at the time of the failure, against the two promissory notes for \$1,500 each, which the bank had received from them for discount in the months of July and August preceding the failure. It is unquestionably true that if the Newark National Bank held these notes at the time of the failure, and was entitled to receive the amounts due thereon when they matured, such offset might be made."

In *Snyder's Sons Co. v. Armstrong*, 37 Fed. Rep. 18, Judge Hammond pertinently remarks, referring to section 5,242 :

"I should not hold our act of Congress to have abrogated so import-

ant a principle of the administration of insolvent estates as the right of set-off, except upon the most explicit declaration to that effect, or the most imperative implication arising out of the necessities of construction. . . . The receiver is, in my judgment, under the act of Congress, only an insolvency assignee, representing in his relation to the depositors, on the subject of set-off, the bank itself. . . . And it seems to me plain that that section is no more in the way of allowing a set-off where the note passed into the hands of the receiver before maturity than where it passed to him after it became due."

These authorities fully sustain the defendant's plea of set-off, but the plaintiff's council has cited a few decisions which require notice. In *Armstrong v. Scott*, 36 Fed. Rep. 63, the court decided that—

"The unmistakable force and meaning of the law is to place all unsecured creditors upon the same footing of equality. When the plaintiff was appointed receiver, the defendant was in the list of unsecured depositors, to whom payment—the bank being insolvent—was prohibited. The defendant had then no right of set-off, nor any equity against its note, not then matured, which passed to the receiver. To allow the set-off, now that the note has matured, and thereby make payment in full to the defendant in part discharge of its obligation to the bank, would be contrary not only to the policy of the law, but also the plain meaning of its provisions."

So far as this question has been passed upon by the Federal courts, the decision in *Armstrong v. Scott* stands alone, and it derives no support from the cases referred to in the opinion of the court by which it was rendered. Thus in *Hade v. McVay*, *supra*, as already noticed, it was held that a right of set-off, perfect and available against the bank at the time of the appointment of a receiver, was not impaired by the bank's insolvency. In *Bank v. Taylor*, 56 Pa. St. 14, the court refused to allow the set-off of a claim against the bank, which had been acquired by the defendant after the bank's insolvency. *Bung Manuf'g Co. v. Armstrong*, 34 Fed. Rep. 94, has no relevancy to the present question. *Stephens v. Schuchmann*, 32 Mo. App. 333, adopts the identical language of *Armstrong v. Scott*, and refers to some additional authorities, which, on examination, are found to be decided on a different state of facts. In *Bank v. Price*, 22 Fed. Rep. 697, the bank had made a payment to a creditor after its insolvency, and under circumstances which made the payment a violation of the terms of the statute, as being a transfer of assets with intent to prefer. The intent to prefer was a just inference from the act of the bank officials. In *Re Commercial Bank Corp.*, L. R. 1 Ch. App. 538, there was an appeal by the official liquidator of the bank from the decree of the Master of the Rolls, who had made an order restraining him from negotiating certain bills of exchange. The bank was indebted to the complainants, who sought to prevent the negotiation of the bills, which had been accepted by them in order that they might set off against them on maturity a debt due from the bank. Lord Justice Turner, in reversing the judgment below, said :

"There is not, as I apprehend, any right on the part of the complainants, either at law or equity, to set off against their future liability upon the bills accepted by them the present liability of the bank to them upon the bank's dishonored acceptances; nor was there any ground upon which the complainants are entitled to insist upon their acceptances being retained and held by the bank until they became due, in order that the set-off which would then arise may be made available to them."

This would seem to favor the present defense, for here the notes indorsed by Clothier had matured in the hands of the receiver, and the deposit of the defendant thus became a valid set-off. The notes could

have been indorsed away for value, as had been done in *Balbach v. Frelinghuysen, supra*; but as this was not done by the bank or its receiver, the defendant was entitled to his set-off. The statute was designed to prevent fraudulent transfers of assets and payments of money made by the bank with a view to prevent the application of the assets in the manner prescribed, or with a view to the preference of one creditor to another; but the allowance of the set-off of the defendant's deposit would not be a violation of the statute under any fair and reasonable construction of its provisions. The application of the rule that mutual accounts are to be adjusted in such manner that only the balance constitutes the debt to be recovered is, as has been seen, established by a long line of judicial precedents, and is not forbidden by the language or the meaning of the National banking act. It follows that the judgment rendered by the court below in each of these cases should be and is affirmed.—*Federal Reporter*.

WHEN DOES THE TITLE TO A CHECK PASS TO THE DEPOSITARY?

SUPREME COURT OF RHODE ISLAND.

National Park Bank v. Levy.

Where the parties so agree, a check may be given and received in absolute discharge of a debt, and whether it was so given and received is a question of fact, to be determined from the evidence.

Where the payee of a check deposits it in bank, and, according to a custom assented to by him, it is credited on his bank book as so much cash, the title to the check vests in the bank, and the drawer cannot be garnished as debtor of the payee in respect to the debt for which the check was given.

TILLINGHAST, J.—This case is before the court on the question of the charging of Kimball Bros. as garnishees therein. The facts in the case are substantially as follows, namely: The plaintiff, a creditor of said defendants, brought a suit against them at the October term, 1891, of this court, in which suit said Kimball Bros. were made garnishees. The service upon them was made on May 13, 1891. Two days previous thereto, to wit, on May 11, 1891, said Kimball Bros., being indebted to the defendants in the sum of \$1,290.14, sent by mail to the said defendants, in New York, a check drawn by said Kimball Bros. on the Commercial National Bank of Providence, payable to the order of said defendants. This check was received by the defendants on May 12, 1891, and by them indorsed and deposited with the Central National Bank of New York, which gave credit to the defendants therefor. Said check was indorsed as follows: "For deposit to the credit of Levy Bros. & Co." The Central National Bank, in accordance with the usual custom, sent said check to the Merchants' National Bank of Providence, its correspondent, by which bank it was sent to the Clearing House on May 13, 1891. Before said check had reached said Commercial National Bank, however, through the Clearing House, a copy of the writ in this case had been served on said Kimball Bros., the garnishees, and they had in consequence thereof countermanded the same, and ordered the said Commercial National Bank not to accept or pay said check on presentation. In accordance with said order, the payment of said check was stopped, and it was not paid until June 13th, at which time the Central National Bank gave Kimball Bros. a bond of indemnity in consideration of said payment. At the time of the drawing of said check

by said Kimball Bros., and thereafterwards, until it was paid as above stated, they had standing to their credit in said Commercial National Bank a sum more than sufficient to pay the same. The defendants suspended payment on or about the 13th day of May, 1891. For some time previous thereto said defendant firm was a customer of said Central National Bank, and kept a general account therein. That in the course of the business dealings of said bank with said firm it was the custom of the bank, with the knowledge of said firm, to accept as deposits from them all out-of-town checks offered by them to said bank, and payable to the order of and indorsed by said firm, who in turn received credit on the books of said bank for the amount of the checks so deposited, and said amounts were entered by said bank on the pass-book of said firm as so much cash deposited by said firm, who were permitted to draw against the amount so credited, and that in accordance with said custom the check in question was received and credited as cash by said bank on the 12th day of May, 1891. The affidavit of said garnishees sets forth that, at the time of the service upon them of a copy of the writ in this case, they had not in their hands or possession any of the personal estate of said Levy Bros. & Co. as the attorney, agent, factor, trustee, or debtor of the same. The interrogatories subsequently filed by the plaintiff elicited the other facts above set forth.

Upon this state of the facts, the plaintiff contends that the garnishees are chargeable for the amount of \$1,290.14, upon the grounds—*First*, that the mere delivery of a check is not a payment of a debt, and that, in order to make it operate as a payment, the check must have been presented to, and accepted by, the bank on which it is drawn; *second*, that a check does not operate as an assignment of the fund against which it is drawn, unless it is drawn to cover a special and designated fund, and for the whole of that fund. The garnishees contend, upon the other hand, that they are entitled to be discharged, because at the time of the service of a copy of the writ upon them the defendants had no cause of action against them, and that the attaching creditor takes only such rights against the garnishees as the principal defendant had against them at that time; citing *Perry v. Thornton*, 7 R. I. 15; *Smith v. Millett*, 11 R. I. 528; *Carpenter v. Gay*, 12 R. I. 306; *Waldron v. Wilcox*, 13 R. I. 518; and *Ordway v. Remington*, 12 R. I. 319. It is further contended that, at the time of the service of a copy of the writ upon the garnishees, they were not indebted to the defendants, because two days prior thereto they had paid their debt by their negotiable cash check, which the defendants had accepted in payment, and passed off to the Central National Bank for full value; and hence that the garnishees were no longer the debtors of the defendants, but of the Central National Bank, the purchaser and holder of the check, and were liable to an action by that bank upon it; and, while it remained outstanding in the hands of that bank as its *bona fide* holder for value the garnishees' debt to the defendants was at least contingent upon its payment to such holder, and they were not, therefore, subject to garnishment as the trustees of the defendants.

Mr. Morse, in his excellent treatise on Banks and Banking (3d Ed. § 543), regarding the effect of a check as payment, states the rule as follows: "The presumption is that a check is only intended as conditional payment, and if dishonored, and the holder is not guilty of laches, causing loss to the drawer, the latter is liable upon the original cause or debt for which the check was given. By agreement a check may be taken as absolute payment, and the drawee will then be liable only as an indorser, and not on the original debt. And a check is always so far payment until dishonored that, after its delivery, the drawer cannot be

garnished as debtor of the payee in respect to the debt for which the check is given"; citing *Cromwell v. Lovett*, 1 Hall 64. The same author further says, in section 545, that "a check given by a debtor in settlement of an account is so far payment as to discharge the drawer as trustee of the payee, service being made on him after giving the check, but before presentment; the check is payment unless dishonored." To the same general effect, see *Getchell v. Chase*, 124 Mass. 366; *Wells v. Morrison*, 91 Ind. 51; *National Bank of America v. Indiana Banking Co.*, 114 Ill. 483, 2 N. E. Rep. 401; *Pearce v. Davis*, 1 Moody & R. 365; *Union National Bank v. Oceana County Bank*, 80 Ill. 212.

While these authorities would seem to warrant us in holding that the garnishees in the case at bar are entitled to be discharged, yet we prefer to base our decision upon the ground that, at the time of the service of a copy of the writ upon them, they were not the debtors of the defendants, but of the Central National Bank, the purchaser and holder of the check in question. The evidence shows that both the garnishees and the defendants treated and considered the giving and receiving of said check as payment of the debt in question; and the law doubtless is that, where the parties so agree, a check may be given and received in absolute discharge of a debt; and that whether it was so given is a question of fact to be determined upon the evidence. (*Blair v. Wilson*, 28 Grat. 165; *Springfield v. Green*, 7 Baxt. 301.) The affidavit of the garnishees clearly shows that they considered the check as payment, and the conduct of the defendants in passing off the check as cash also clearly shows that they so regarded it. Moreover, the check had passed beyond the control of the defendants, and had become the absolute property, for value, of the holder thereof, and hence no cause of action existed in favor of the defendants against the garnishees at the time of the service aforesaid. The transaction was equivalent to a discount by the bank of the negotiable paper of the defendants. Had said check been indorsed and turned over by the defendants for collection only, a different rule would obtain, and the question would then be simply whether, after the giving of a check and before its presentation to and acceptance by the drawee, the drawer could be held as garnishee of the payee. In such a case, the indorsee is merely the agent of the payee for the purposes of collection, while the ownership of the check remains in the payee thereof. (See *Ayres v. Bank*, 79 Mo. 421.) The case of *Bank v. Loyd*, 25 Hun. 101, was very similar to the one before us, in so far as the question of title to the check is concerned. It was there held "that where a check due at the time is indorsed in blank and deposited by the payee upon general account in a bank with which such payee keeps an account, and is, with the payee's knowledge, and without dissent on his part, credited in his bank book as so much cash, the title to such check vests in the bank, whose only recourse against the depositor lies in his obligation as indorser." This case was subsequently affirmed by the Court of Appeals. (See *Bank v. Loyd*, 90 N. Y. 530. See, also, *Barnard v. Graves*, 16 Pick. 41; *Brooks v. Bigelow*, 142 Mass. 6, 6 N. E. Rep. 766; *Hoffman v. Bank*, 46 N. J. Law 604; *Bank v. Armstrong*, 39 Fed. Rep. 231.)

The cases cited by the plaintiff in support of his contention are mainly to the effect that the mere delivery of a check is not a payment of a debt, and that the right of a depositor is a chose in action, and his check does not transfer the debt, or give a lien upon it to a third person, without the assent of the depository. (See *Strain v. Gourdin*, 11 N. B. R. 156; *Bank v. Millard*, 10 Wall. 152; *Cohen v. Hale*, 3 Q. B. Div. 371.) These cases are not analogous to the case at bar, in that the title to the checks therein considered remained in the original payees thereof

whereas in this case, as we have already found, the title to the check had passed to a third party, for value, before service of the trustee process. But see remarks of Cockburn, C. J., in the last-named case, as to the effect of stopping payment of the check as bearing upon their liability. Having found, therefore, that the garnishees were not indebted to the defendants at the time of the service upon them as aforesaid, it becomes unnecessary to consider the other points taken by the counsel for the plaintiff. The garnishees are entitled to be discharged. — *Atlantic Reporter*.

PERSONAL LIABILITY OF OFFICERS OF A BANK NOT FULLY ESTABLISHED.

SUPREME COURT OF UTAH.

Merchants' National Bank of Kansas City v. Robison.

Where the prospective vice-president and manager of a bank not yet established issues and delivers to the prospective cashier unpaid certificates of stock in such bank, and the latter fraudulently procures a personal loan on the stock from a bank that has no sufficient knowledge of the facts to put it on inquiry, such prospective vice-president is personally liable in an action by the lender for the amount of the loan.

The fact that defendant intended such stock to be used by the cashier in procuring a loan of a particular person, who had knowledge of the circumstances under which it was issued, is no defense to an action by such bank to recover the amount of the loan made by it.

BLACKBURN, J.—This suit is brought to recover from the defendant the sum of \$5,000, with the interest, loaned by the plaintiff to one J. P. Barbour, for the reason that the defendant assisted the said Barbour in fraudulently obtaining the loan. The complaint, among other things, alleges that Barbour is now dead and his estate is wholly insolvent. The facts admitted and proven are substantially as follows: The defendant and Barbour were engaged in promoting the establishment of a bank in Ogden, Utah. The defendant lived in Whatcheer, Iowa, and Barbour lived in Kansas City, Mo. Of this bank the defendant expected to be vice-president and general manager, and Barbour expected to be cashier. When the loan was made, the bank was not in operation or existence, only in expectancy. Subsequently, in September, 1890, it went into operation, and the defendant was made vice-president, and Barbour cashier, and Barbour died in a short time, and wholly failed to pay the loan, or any part thereof. The loan was obtained on July 23, 1890, for which Barbour gave his note, payable November 1st following, and gave as collateral security the two following pretended certificates of stock:

" No. 1.	25 shares.
Capital,	Share,
300,000	100 dollars
dollars.	each.

" This is to certify that J. P. Barbour is entitled to twenty-five shares of the capital stock of the Citizens' Bank of Ogden, Utah, which stock is transferable only on the books of the bank in person or by attorney, on the surrender of this certificate. Assessable. Not transferable while stockholder owes bank. In witness whereof the president and cashier of said bank have hereunto set their hands, this 10th day of July, 1890. J. P. BARBOUR, Cashier. THEO. ROBISON, Vice-President and Mgr."

The second was like unto the first in every particular, only it was numbered: "No. 2." These certificates were sent to Barbour at Kansas City, Mo., by the defendant, signed by him without the seal of the bank being upon them, accompanied by the following letter: "3.192. The First National Bank of Whatcheer. Theo. Robison, President. J. L. Mitchell, Cashier. Whatcheer, Ia., July 10th, 1890. Dear Barbour: I send certificates of stock, as requested, with the exception of seal, and letters explain why I could not use it. I was just a day too late. You can use the stock as it is, and we will agree to make new ones as soon as we get seal, or he can send to Ogden, and we can put on seal and return. This is the best we can do, and you can show this letter to him why did not use seal. Hope you will get it shaped up all right. Am loading car, and is a devil of a job. Can't get all my things in, and don't know what to leave. Will write again. Yrs., THEO. ROBISON."

Barbour exhibited these certificates, with letter, to the plaintiff's president, and obtained the loan on depositing them as collateral, and, in the presence of the president, signed them as cashier, and indorsed them as follows: On the back of each certificate was the following: "For value received, _____ hereby sell and assign to _____ the shares of stock within mentioned, and authorize _____ to make the necessary transfer on the books of the bank. Witness hand and seal this _____ day of _____, 18—, J. P. BARBOUR. Witnessed by W. E. HUMPHREYS." What conversation was had between Barbour and the plaintiff's president when the loan was negotiated is in the record, but was withdrawn by the plaintiff from the jury; hence it need not be considered, but I see no reason why the same is not proper testimony. The certificates of stock were not paid for, were issued before there was any bank organization, but only one in contemplation, and were admitted to be worthless. Afterwards the bank was organized and put in operation. Some time in the following September Barbour got the loan on the security of these certificates, and did not pay the money, and died wholly insolvent. The case was tried. The jury found for the defendant. Plaintiff made motion for new trial, motion overruled, and plaintiff appeals from the overruling the motion for a new trial, and from the judgment, and assigns many errors, only some of which it is necessary to mention.

The first error assigned is that the finding of the jury is against the evidence. I think this error is well taken. Bank stock is bought and sold in the open market, and passes from hand to hand almost as freely as negotiable paper, and the title is transferred without other formality than delivery when indorsed in blank, as this was; and he who takes it as collateral to secure a loan is a holder for value. A person who signs a certificate of stock of a bank represents to all the world that he is the officer he represents himself to be; that he is authorized to issue such certificate; that the person to whom it is issued has the interest in the bank the certificate purports to give; that the bank is an existing institution; that the shares of stock the certificates mention are fully paid for; and that the certificate is in all things what it purports to be. If any of these are known to be false, he who signs the certificate is liable to any one who may be injured thereby. These views are so fundamental, and so consonant with honesty and fair dealing, that they need no authority in their support, but I cite 2 Morse, Banks, § 713 (3d Ed. by Frank Parsons), and authorities therein mentioned. The defendant signed these certificates knowing there was no such banking institution in existence; that the shares of stock had not been paid for; that he had no authority to issue such certificates, and thereby put it in the power of Barbour to defraud the plaintiff corporation, and is such a participant in the fraud perpetrated by Barbour as to be liable as a principal.

There is no evidence in the record to show that the plaintiff had any notice of the situation of the pretended bank, nor is there anything in the certificates themselves, or the letter explaining the reason why the seal was not attached, to put a prudent man on his guard, or suggest to him the duty of making further inquiry. Therefore I think the defendant is liable, and the verdict should have been for plaintiff for the amount of the note and interest, unless his defense which we now consider is valid.

The defendant claims that he is not liable, because the certificates of stock were delivered to Barbour to be used in negotiating a loan from one Griffith, and no other person, and said Griffith had agreed to make the loan on such certificates with full knowledge of the situation—that the bank was not in existence, but was only in contemplation; that the defendant was not its vice-president and general manager, but only was to be when the organization was perfected; that Barbour was not its cashier, but only expected to be; and that the stock was not paid for, but only subscribed, and the money to be loaned was to be used to pay for the shares of stock; and that these certificates were issued in good faith by him, and delivered to Barbour to be used only with Griffith; and the testimony of the defendant fully supports this claim. But is this any defense? I think not. The plaintiff had no knowledge of these facts, or any of them, nor does any evidence appear in the record that would put it or its officers on inquiry in reference to them, unless it be the letter explaining why the seal was not attached to the certificates. But it does not seem to me that there is anything in that letter that would suggest to a prudent man the duty of making further inquiry in relation to the bank, and its existence and shareholders, or any other fact in reference thereto. It is unnecessary to examine the other assignments of error. The cause is reversed, with costs, and remanded, and a *venire de novo* awarded.

Anderson, J., concurs.—*Pacific Reporter*.

LEGAL MISCELLANY.

ALTERATION OF NOTE.—An authorized alteration of a non-negotiable promissory note by the payee, after the execution thereof, by the insertion of the word "bearer" after the name of the payee, is a material alteration which will nullify the instrument. [*Walton Plow Co. v. Campbell*, Neb.]

NEGOTIABLE INSTRUMENTS—CONSIDERATION.—The partial failure of the consideration for a promissory note may be interposed in defense in an action to recover on the note. [*Durment v. Tuttle*, Minn.]

TAXATION—EXEMPTIONS.—The shares of stock of an insurance company are not exempt from an *ad valorem* tax because the company's charter provides that a State tax shall be paid on "the amount of capital stock actually paid in, in lieu of all other taxes and assessments." [*State v. Memphis City Bank*, Tenn.]

TAXATION OF CAPITAL STOCK.—Where the charter of an insurance company provides that there shall be a certain State tax "on the amount of capital stock actually paid," its capital stock is exempt from further taxation, State, municipal, or otherwise, but an *ad valorem* tax may be laid upon its shares of stock. [*State v. Home Ins. Co.*, Tenn.]

USURY—LIABILITY OF SURETIES.—That a principal in a usurious note, waiving homestead and exemption, fails to plead the usury, or to assert

his right to homestead and exemption on account of it, but submits to a judgment against himself for the whole debt, will not hinder the sureties from taking advantage of the usury as a ground of discharge; they having been ignorant that the note was tainted at the time of its execution by them. Their discharge does not depend upon actual loss, but upon the risk of loss to which they were exposed by reason of the concealed usury in the contract of lending of which the note was the result. [*Harrington v. Findley*, Ga.]

ALTERATION OF INSTRUMENTS.—Where the payee in a note in good faith adds to his name therein "& Bro.," thinking that a proper way of transferring the note to a firm consisting of himself and brother, and later restores the note to its original form, such alteration, if not prejudicial to the rights of any person, does not preclude a recovery on the note. [*Skelton v. Tillman*, Tex.]

CORPORATIONS—SHAREHOLDERS—INSPECTION OF BOOKS.—In the United States, a shareholder in a corporation has the right, under proper safeguards, to inspect the books of the concern, unless the charter or by-laws otherwise provide. [*Ranger v. Champion Cotton Press Co.*, U. S. C. C., S. Car.]

NEGOTIABLE INSTRUMENTS.—A note dated "Hayneville, Ala.," and made payable "at H.'s office," which office was in said town, comes within the purview of Code, § 1,756, providing that promissory notes payable "at a certain place of payment therein designated, are governed by the commercial law," and a purchaser of such note before maturity, for value, and without notice, takes it free from the equities between the original parties. [*Rudolph v. Brewer*, Ala.]

NEGOTIABLE INSTRUMENTS.—Where a note is transferred by indorsement, the transferee may maintain action thereon, though he holds it as security for a debt of less amount than the note. [*Jackson v. Faulkes*, Tex.]

PAYMENT—APPROPRIATION.—A creditor to whom money is paid by his debtor, without designating on what account to apply it, may apply half the amount paid on each of two debts where neither debt is barred by the statute of limitations. [*Beck v. Haas*, Mo.]

PRINCIPAL AND SURETY—RELEASE OF SURETY.—The fact that a person who has been elected cashier of a bank, and who has given bond for the faithful performance of his duties as such, afterwards undertakes for an added compensation, to keep the book known as the "individual ledger," does not effect such a change in his duties as to discharge the surety in case of embezzlement. [*Shackamaxon Bank v. Yard*, Penn.]

MISTAKE—RECOVERY OF MONEY PAID.—In the absence of fraud or undue advantage, money voluntarily paid, with a full knowledge of all the facts, but under a mistake of law, cannot be recovered. [*Evans v. Hughes County*, S. Dak.]

BANKS—APPLICATION OF DEPOSIT.—A note was indorsed to a bank for full value, before maturity. It was not paid, and was protested. The indorser to the bank had sufficient money deposited there to pay the note. A clerk of the bank charged the note up to the indorser; but when this became known to the cashier, he directed the clerk to correct his act by crediting the indorser with the same amount, so as to leave his account as before. The indorser had not authorized such application of his deposit, but had insisted that the bank proceed against the maker, to which the bank had agreed: *Held*, that such application of the deposit was not a payment of the note. [*Mechanics & Traders' Bank of Brooklyn v. Seitz*, Penn.]

CORPORATIONS—DIRECTORS.—Directors of a corporation are not entitled to compensation for their services as directors, unless such compensation is provided for or expressly sanctioned by the charter. [*Brown v. Republican Mountain Silver Mines, Limited, Colo.*]

NEGOTIABLE INSTRUMENTS—NOTICE OF DISHONOR.—The condition of demand of payment and notice of non-payment of a promissory note may be waived or dispensed with by an indorser as well after as before maturity. No new consideration is needed to support such waiver. [*Lockwood v. Bock, Minn.*]

NEGOTIABLE INSTRUMENTS—PLEADINGS.—Since the holder of negotiable paper, to which the maker has a valid defense against the original payee, has the burden of showing that he is a *bona fide* holder for value without notice of such defense, in an action on a note by an indorsee, where the complaint does not allege that the transfer was made without notice of any defenses, defendant may plead his defenses without alleging notice thereof to plaintiff. [*Bunting v. Mick, Ind.*]

NOTICES—SERVICES BY MAIL.—Code Civil Proc. §§ 1,012, 1,013, provide for service by mail in certain cases, and that such service shall be by depositing the notice or other paper in the post-office, addressed to the person on whom it is to be served at his office or residence: *Held* that, where a notice attempted to be served by mail was actually received by the person for whom it was intended, the service was sufficient, though it was mailed. [*Heinlen v. Heilbron, Cal.*]

CORPORATIONS—INSPECTION OF BOOKS.—Revision, p. 186, § 50, which provides that the Chancellor or any Justice of the Supreme Court may order the books of a corporation of this State to be brought within the State, and kept therein, at such place and for such time as may be proper. *Held* that, on a petition to have the books of a corporation brought into the State for inspection, it was no defense that petitioner was president and director of the corporation, and presumed to already know all that could be learned from an inspection of the books. [*Mitchell v. Rubber Reclaiming Co., N. J.*]

NEGOTIABLE INSTRUMENT—INDORSEMENT FOR COLLECTION.—Under Code, § 2,543, requiring every action to be prosecuted in the name of the real party in interest, one to whom a note has been indorsed for collection may sue thereon. [*Abell Note Brokerage and Bond Co. v. Hurd, Iowa.*]

BANKS AND BANKING—CHECKS FOR COLLECTION.—A city treasurer deposited checks in a bank, indorsed by him "For deposit," and the checks were immediately credited to him on his pass-book, though not in pursuance of any agreement to that effect. He had been a depositor in the bank for some years, but had no agreement that his checks should be treated as cash, or that he should draw against them before collection. The bank became insolvent before the checks were collected, and their proceeds passed into the hands of a receiver: *Held*, that no title passed to the bank except as a bailee, and that the depositor was entitled to the proceeds. [*Beal v. City of Somerville, U. S. C. C. of App.*]

RELATIONS OF MICHIGAN BANKS AND BANKERS WITH THEIR CORRESPONDENTS.

We assume, to start with, that such relations should be amicable and pleasant, and, inasmuch as few of us are doing business exclusively for our health, the question of profits, so far as is consistent to the community and ourselves, should be considered.

The primary object of this association is to promote these relations, as well as its social feature. It is difficult to present to a body of experienced bankers any new ideas as to the practical workings of their business. If we but apply the knowledge possessed in unison, to the best interests of all, the knotty problems will be solved.

Bankers, of all men, are among the most practical, hence, what is said must be in that line, or go unappreciated.

Let us first consider the topic which is perplexing ourselves and our correspondents throughout not only Michigan, but the entire country, at the present time, perhaps, more than any other one thing, that is, the question, how to make our collection departments, at least, self-sustaining. We shall have to charge our metropolitan city banks with most of the responsibility of having brought about the unpleasant and unprofitable condition which now exists by their adoption of the par list system, which, of course, could not have been accomplished without the co-operation of the country bankers, but the country bankers could not, and did not, organize it. In fact, I know of one who changed his account from a city correspondent who first adopted the plan, giving that as his reason; but competition soon forced all into line. We think the time has arrived when all banks and bankers are heartily sick of it, and are looking for some safe line of retreat that will not create too much friction with their custom. There seems none more feasible than for the country banks and bankers of the State to simply unite in a resolution that, hereafter, a reasonable charge will be made upon all items received for credit or remittance. Such a course would not antagonize our city correspondents, as the benefits of the present system do not accrue to them, but, quite to the contrary, they are subjected to a large correspondence and legal liability, all for the benefit of others, without compensation. The city banker will merely have to explain to his customers that the arrangement previously existing with his country correspondent, to credit at par, has been suspended—"for revenue only"—and we in the country will have no conflict with our custom until the city jobber begins to demur against taking his country customer's local check at par. Then we may make such rates of exchange as the merits of custom demand. We will, at least, have him where he cannot remit until he has the money on deposit.

We will have the traveling man where he must buy a draft instead of sending our certificate of deposit or certified check to his house. We will also deprive the peanut vender and the corner grocer from depositing their pennies to provide for small checks that have been sent abroad perhaps several days before. I tell you, gentlemen—to speak in the parlance of the day—"they are all onto it"; shall we allow them to outwit us longer? Shall we continue to compete with the United States Government and express companies, and get nothing in return? It is true, our conceptions of reasonable charges may differ, but that must be governed by individual judgment, which, we must admit, is often at too

great variance, as was evinced by a certain bank which received not long since a remittance from a correspondent for the proceeds of a \$1,000 collection, upon which $\frac{1}{2}$ of 1 per cent. exchange was charged. The cashier acknowledging its receipt remarked to the remitting banker that he must have belonged to Sheridan's cavalry. He replied that he did happen to belong to that branch of service, but said, "How did you know it?" The cashier responded, "Why, you charge so like —." We hope, should our proposition prevail, not to find all our correspondents in the ranks of Sheridan's cavalry, but we must be mindful that exorbitant rates are sure to react, and eventually cause abuses such as we now labor under. The circuitous routes of our collections, the time consumed and the risk assumed under the present methods, are too familiar to all bankers.

Remitting by checks on local banks has become an almost universal custom, and in many cases such checks are not provided for until about the day of presentation, thereby gaining to the drawer not only the exchange, but at least from five to ten days time, at the expense of the banks that are carrying the item in transit. The legal liabilities assumed in our collection departments are numerous; such as failing to protest, premature surrendering of bills of lading, etc., etc. We hold the compensation is out of all proportion to the risk. It is not so serious with the city correspondent, as he has the benefit of our deposits for his labor and risk. The selling of exchange and charging for collections are our legitimate sources of income, and, pray, why should we voluntarily combine in making ourselves mediums to deprive us of that profit. It seems to us no other branch of business so well organized would tolerate such a course. The sharp competition and push for business point to small profits. The paying of large interest upon average balances is a growing evil which may make rich statements but poor dividends, and result disastrously.

Not long since I happened to know of an instance where a customer was lost to a banker who was offered 4 per cent. upon average daily balance by a competitor who was at that time soliciting discounts at 6 per cent. After charging to such an account its ratio of the legal reserve required by law, and its proportion of the expense account, to say nothing of the risk assumed in reloaning, where is the profit to the bank? It requires but little figuring to demonstrate there is little, if any.

As to the policy of selecting correspondents in New York who pay interest, we do not believe it is best. New York bankers forget that they hold the greater portion of the reserves of the entire country, and the large deposits accumulated by the interest-paying banks must be kept employed, and the tendency is to invest in such paper and securities as cannot stand the test of a financial stress; hence they have, at such times, all they can do to meet the sudden withdrawal of deposits, and have no money with which to accommodate custom. They argue, and very justly, that they are under no obligation to the customer who has received interest upon his daily balance.

But not so with the New York banker who pays no interest. He has not accumulated balances there merely to draw interest, to be withdrawn upon the appearance of the first cloud in the financial horizon. When loans are offered not gilt-edged, they are promptly rejected, as it is costing him nothing to hold his money until proper security is offered. Such a correspondent stands ready at all times to accommodate worthy custom, panic or no panic.

It is, indeed, a comfort for the bank manager to know that he has such a reserve to fall back upon in the event of emergency. It enables

him to accommodate his own custom at a time when most needed and appreciated.

This can hardly be so fully applied to our own State correspondents, as the larger interests of our State are, to a great extent, quite identical, and we are all likely to have an active demand for money at the same time, making the ruling rates rather uniform, and higher than in the East; hence we depend more upon the East in such emergencies. By this we do not wish to imply that we advocate re-discounting, except when it may become necessary occasionally to provide for reasonable demands of custom upon paper drawn against value.

There are other points that might be touched upon applicable to ourselves and our correspondents, as, for instance (from the recent experience of some of our Detroit friends), a little admonition as to caution in drawing small drafts for slick strangers to manipulate, might be admissible; but my desire not to tax your patience advises brevity.—*A Paper read by MR. ORRIN BUMP, at the sixth annual meeting of the Michigan Bankers' Association.*

RAISED AND FORGED PAPER — PRECAUTIONARY SAFEGUARD.

In the latter part of the last century, says an old authority, the notes of the then great monopoly, the Bank of England, had gradually crowded out all other paper circulation, and the old private banks found it impossible to keep their notes afloat in London. A new plan was therefore adopted. When deposits were received or discounts made, the bank simply gave its customer credit for the amount in its books. As the system was perfected, the bankers gave the customers blank check books as a substitute for the old bank notes. Familiar as is this expedient to us, it has made much slower progress among the provincial banks of England, and throughout the continental cities of Europe, than in this country.

In the United States, the growth and development of this safe and convenient system of doing business has been rapid, until now, when it has reached enormous proportions, and recent statistics show that more than 90 per cent. of the business transactions of the country are done by means of checks, drafts, and other substitutes for real money.

In his last report, Comptroller of the Currency Lacey says:

"If we take \$421,000,000 as the average daily transactions of the National banks, and multiply this by 307 as the number of business days in the year, it will be found that the total receipts of these banks alone, for a single year, would amount to more than 129 billion dollars, or a sum greatly in excess of the estimated value of all the real and personal property of Great Britain and the United States combined."

If to these totals of business done by the National banks, is added the daily business done by the State, savings, and private banks, which is certainly as much, if not more, we should have a daily aggregate of immense proportions, and probably in excess of the entire circulating medium of the country—showing very plainly that the credit system has made it possible to accomplish so much, as, if we were obliged to handle real money in every case, our capacity would undoubtedly be reduced to one-tenth of the present amount.

These transactions, so large in the aggregate, in which we all take our daily part, depend largely upon the integrity and honesty of those who make them, and while some prove to be worthless, entailing a loss upon

the community, yet the exception is so rare that the system is deservedly popular, and we should strive constantly to correct the few faults and abuses which it has. Among these is the ever-present danger of being imposed upon by forged or worthless instruments, and these, in the hands of those who have made long study and practice of the crime of forgery, are dangerous indeed, and perhaps not much less so are these same respectable looking papers, when presented by young men taking the first step in the wrong direction—young men whom you have known long and well, and by reason of your knowing and trusting them, makes the accomplishment of their dishonest purpose the easier.

A case of this latter kind recently happening in our own city of Saginaw has become so often cited and inquired about, by reason of its boldness and remarkable extent, that I will make brief mention of the facts.

A young man, born and reared in one of our best families, was left, at the death of his father, with about \$30,000, and with this he immediately commenced to do an active lumbering and vessel business, far beyond what his experience and means would warrant. His connection, through some of his lumbering operations, with several of our most responsible firms, gave him a credit when he presented paper for discount with their names, that subsequent developments did not uphold. We thought he was flying his kite rather high, and that he must lose in the end; but that he was dishonest or would commit a crime, no one there, I think, ever dreamed. He was a young man of the most exemplary habits, and, with a loving wife and family, he had every inducement to do well; and yet in a weak moment he yielded to a temptation, and having succeeded, he kept on until he had ruined himself and betrayed his friends in the most shameful way. His manner of operating was to get his friend's indorsement on his own note (written by himself always) for \$500, and then writing before the \$500 (in small spaces which he had purposely left) the words twenty, thirty, or forty, as his fancy or needs at the time may have dictated. He had no trouble in using the paper, as there was nothing about it to excite suspicion, and the names he gave were undoubted. In every instance save one *he* was the *maker* of the paper, and in that he had drawn a \$500 draft on a firm, which they had accepted, and he had then raised to \$4,500. On the day it matured, he asked to have the notice sent to *him*, as *he* was to care for it, which we did; but we also considered it our duty to notify the firm who had accepted it, knowing something of their manner of doing business. This we also did, and, as might be expected, the startling denouement came quickly, and one discovery followed another in rapid succession, until it was found that he had actually forged, by the raising process, more than \$150,000 of paper, and deceived and defrauded some of his best friends. He at once made his escape, and has been a fugitive from justice ever since, though I cannot learn that any great effort has been made to have him return, as some of the parties holding the paper wished to assume and prove that the paper was in fact genuine; but in this they have failed, I think, with but one exception, where the admission of the indorser (by not wholly denying it when asked) gave the holder a more tangible case than could be made of any of the rest, where the court ruled generally that any change whatever in a written instrument, after execution and delivery, voids it as against all parties.

Against such cases as this I do not know that we could have any perfect security, but must conduct our business with even more care, and possibly be sometimes led to unjustly mistrust.

But there are other kinds of paper in daily use in the way of checks and bank drafts, which are much more likely to be fraudulent, or having

been raised from small amounts which were genuine, and with these several safeguards of more or less value in accomplishing the purpose aimed at, have been invented, and each have their advantages, but perfection cannot yet have been reached, else we should not daily hear of some evasion of their supposed security, which, in some cases, in the hands of expert forgers, has proved only a delusion.

Men of this class are equal to any emergency, as witness the gigantic forgeries on the Bank of England a few years ago, of which the London *Times* said :

" All their arrangements were masterpieces of ingenuity and patience. Many of the large firms upon whom the bills purported to be drawn were in the habit of using a peculiar kind of paper, with certain watermarks and printed matter. All this had to be imitated, and as the bills were drawn on more than one firm, there were many such imitations. There then remained the drawing of the bills, the affixing of the signatures (some with a half dozen well-known names on a single bill), and each certainly required a remarkable series of feats in successful forging. Yet the bills were so perfect that not one of them was questioned on the ground of the acceptances not appearing genuine. The plot had, to all appearances, a success which its consummate skill and patience deserved, but it was discovered, though too late, by an accident—the omission of a date, which the rascals, with all their care, had overlooked."

Many a forger has been led to make his first attempt by the careless and even inviting manner in which many of our banks and firms allow their checks and drafts to be written, and this is an evil which the banks themselves should lead the way in correcting, and set an example which will be readily followed, as have many others, by the business community. Without this, all precautions are practically useless, but with a well-written draft in a large, full, and heavy hand, with use of plenty of ink, some of the so-called safeguards are very good indeed, but we must still look to the future to provide us something which is perfect. A simple precaution which we have used for many years, and which has in every instance so far preserved us from loss, is the rule of our office, which requires all amounts *less* than one hundred dollars to be with the word dollars *written* in next to and closely following the amount.

The gentleman from Lansing (who thought the dome of our beautiful capitol altogether too small, and who recently paid a visit to the metropolis of our State) still has one of our drafts written in this way, which we have no objection to his keeping, and presume he will do so, as he has not presented it or said anything about returning it.

This man was an expert, without doubt, as his work proved. His raising on safety paper, and recutting the larger amounts and duplicating the cashier's signature on the back as an identification, all were well done.

Where an alteration is suspected, it is said that a solution of nutgalls will disclose the change, if any has been made, but there are nameless inks and acids without number, and bankers will evidently need to be chemists if they keep up with the rogues who study how to successfully deceive them.

In examining writing believed to be forged, if we can take the time to deliberately use the compound microscope, we can find much to instruct us.

On this subject, a well-known writer in the *BANKER'S MAGAZINE* has said :

" If you follow the tracing of a letter, however rapidly written, you find, when examined with a power of about ten diameters and illuminated

with a good bull's-eye condensing lens, that, besides the larger rhythm upon which the expert bases his judgment, there is a minute secondary rhythm, which is imperceptible to the naked eye, and cannot be accurately developed with a hand lens or a simple microscope, but which comes out forcibly in the optical image furnished by a compound instrument. This secondary rhythm is traceable to the action of the small muscles in maintaining and regulating the amount of pressure upon the pen. The man who supposes that the pen pressure is uniform in writing, merely because it appears to be so when viewed with the naked eye, will be astonished to learn that its variations are between 200 and 300 to the inch, and that they are regular, just in proportion as they are spontaneous and involuntary. That is to say, when a person is writing in his natural manner, the variations in pressure upon the pen are perfectly rhythmical, while, on the contrary, when he is consciously imitating the writing of another, they are irregular and wanting in rhythmical symmetry, and they remain so just so long as the conscious voluntary movement incident to the act of copying is exercised. There is yet another aspect of this secondary rhythm which is worth observing, and that is the action of the small muscles in guiding the pen. If you follow the margin of a well-illuminated letter in a genuine signature you will observe that it is wavy, the result of a rapidly successive series of muscular impulses, and that these impulses are arranged in rhythmically symmetrical order. No matter how cleverly a signature may be imitated, so long as the imitator exercises a vestige of the conscious voluntary control of the hand essential to the act of imitation in tracing the letters, just so long the margin of the stroke remains irregular in the length and distribution of these impulses, and the forgery can be optically demonstrated. When, in consequence of age or other infirmity, these impulses are separated by intervals perceptible to the naked eye, it is customary to say that the hand trembles, and it is an inalienable property of muscular contraction that it should, but the forger in copying cannot contract regularly, as does the natural writer."

But in the hurry of our modern business ways we do not have time to scrutinize all writings so carefully, and we must go on hoping that some way may yet be found whereby a paper and ink, when joined, shall be really one and inseparable, and any attempt to raise, or changing it in any way, shall surely destroy the paper beyond power of restoration.

Our ideal paper for bankers and general commercial uses will be a *safety* paper in *fact*, and while it may be tinted (possibly by the repetition of the name of the bank in type so small as to be read only with a glass), the paper will be of such texture and finish as to best receive the ink which has been specially prepared for it.

There is no doubt that modern inks, being made thin for rapid writing, are not of such quality and permanency as those used in ancient times, when the use of coarser pens, and more ink (composed of iron, dyes, acids, and other component parts not now used), made writings which are easily legible at this day.

Our special ink will have a penetrating power (without being offensive to touch or smell), and when placed on the paper will become an inseparable part of it—in fact, permeate it so that it can be easily read from either side.

That this can be done, I have no doubt—in fact, we have all seen such a result produced by *accident*. Our friend the farmer, coming in from the hay field, or the man who works at the forge, and taking out the certificate or check which he has carefully placed in his inside breast pocket, has, unwittingly, by perspiration, driven the ink through the paper in such a way as would discourage all attempts to change it. And

we often see the same result produced in our letter copying books with the simplest materials, but why cannot some way be discovered by which it can be surely and quickly done, in every case where desirable. I believe with properly prepared paper and ink it can, and think it a most desirable end to accomplish. We occasionally see English drafts, written on paper (which at first glance would be called poor), where this very result has been produced, but whether by accident or design I cannot say. The trouble is we use hard-surfaced paper, and inks (some of which can be washed off with a wet sponge) are lightly applied; but if we could get the more perfect combination, it would remove nearly all the possibilities of raising or changing paper, in my opinion. So long as men trust each other, so long will there be occasional instances of dishonesty; but, fortunately for us, the great majority of people are honest, else our present ills are small, compared with those we should suffer. The dangers from within, through our customers, are few, but beware of the suave stranger, who has some new or unusual mode of identification, and *always* is in pressing need of currency. Let him wait. — *A Paper read by A. H. COMSTOCK, at the sixth annual meeting of the Michigan Bankers' Association.*

A CENTENNIAL OF BANKING.

HISTORY OF THE UNION BANK, OF NEW LONDON, CONN.

The first recorded movement for obtaining a charter for the Union Bank was at a meeting held in New London on the 10th day of February, 1792, at which a committee of six were appointed to solicit subscriptions to the amount of \$100,000. At a subsequent meeting, held at the tavern of Ephraim Minor, on the 5th of March, it appeared that the full amount of stock had been subscribed, divided among 107 persons, no one having taken over thirty shares each. At this session the following directors, about one-half of whom were residents of Norwich, were chosen:

Gen. Jed. Huntington, Joshua Lathrop, Marvin Wait, Joseph Howland, Guy Richards, Joseph Williams, William Stewart, Daniel L. Coit, Edward Hallam, Samuel Woodbridge, Joseph Perkins, George Phillips, Samuel Wheat.

The same day Jedediah Huntington was elected president, and John Hallam, cashier. The capital stock was fixed at \$100,000, with liberty to increase the same to \$500,000 at any future time. An act of incorporation was granted at a General Assembly of the State held on the second Thursday of May, 1792.

The first meeting of the directors, after the incorporation, was held June 5th, 1792, and arrangements were made for immediate business. The record of this meeting shows that the president was instructed to procure an office, desk, seals, scales and weights, and to send to Philadelphia for sixteen reams of paper. Notes to be discounted were required to have two witnesses to the signature of the maker, and no loan should be made for a longer period than sixty days.

On January 1st, 1792, there were but five banks in the United States, as follows: The Bank of North America, Philadelphia, instituted 1781; Massachusetts Bank of Boston, 1784; the Bank of New York, 1784; the Bank of Maryland, Baltimore, 1790; and the Providence Bank, 1791.

The May session of the General Assembly of Connecticut, which in 1792 granted the Union Bank its charter, granted also similar privileges to the Bank of New Haven and the Hartford Bank, but if, as claimed,

the Union opened its doors at an earlier period, it may be called the oldest bank within the limits of the State. At an annual rental of \$30, a banking room was secured in the brick building owned by Edward Hallam & Co., and still standing on the west side of Water, just below Hallam street, and here the bank was located till the removal to its present quarters.

At a meeting of the board of directors, held November 9th, 1798, it was voted "that \$15 be allowed to Mr. John Prentis as a compensation for the trouble in his house in consequence of the business of the bank being done there about five weeks, during the prevalence of the epidemic fever."

At a meeting of the directors held November 18th, 1817, it was resolved that the president, Mr. Starr, and Mr. Law be a committee for the purpose of contracting for the building of a stone bank on the ground bought of George Williams on the north side of State street. The contract referred to was awarded to Colonel Potter. The entire cost of the building and land was \$6,225. The bank moved into this building, which it still occupies, in 1818.

At a meeting of the stockholders, held March 28th, 1865, it was voted to convert the bank into a National banking association under the general banking laws of the United States. On January 10th, 1882, it was deemed expedient to go into liquidation as a National bank, and that the business be continued as a State bank by the resumption of its charter of 1792, which had been suspended since 1865.

During the 100 years of its existence, this bank has had but six presidents. Their names and terms of service are as follows:

Jedediah Huntington—1792 to 1818,

George Hallam—1818 to 1825,

W. P. Cleveland—1825 to 1834,

Jonathan Starr—1834 to 1852,

Robert Coit—1852 to 1858,

W. H. Chapman, the present incumbent, who was elected

June 3d, 1858.

The cashiers from the same period have been but seven, as follows:

John Hallam—1792 to 1800,

Robert Hallam—1800 to 1827,

Ebenezer Learned—1827 to 1836,

Joseph C. Sistare—1836 to 1851,

Charles G. Sistare—1851 to 1860,

Leonard C. Learned—1860 to 1885, and

J. Lawrence Chew, the present incumbent, who entered the employ of the bank in 1865, and who was elected cashier at the death of Mr. Learned.

There is no recorded action of the bank, relating to the suspension of specie payments, during the war of 1812; the only matter of record indicating a disturbed condition of the currency at that period is found in a vote of the directors, passed February, 1815, by which a dividend was declared payable in New York bills. The bank redeemed its own bills all through the war of 1812, but probably conducted most of its transactions, as did the country at large, in the depreciated currency of the times.

At a meeting of the directors, held October 14th, 1857, the period of the memorable financial panic, it was resolved that under existing circumstances, and because of the suspension of specie payments by the banks of the city of New York, the payment of specie by this bank be necessarily suspended. This action was reconsidered at a meeting held December 15th, 1857, and the above vote rescinded.

The first dividend of this bank was two per cent., paid March, 1793; the one paid in January, 1892, was the two hundred and second. From its commencement it has never passed a dividend. During the centennial of its existence 832¼ per cent. has been paid to its stockholders, or more than eight times its capital stock, 84½ per cent. of which was in extra dividends. During the last sixteen years the number of individual depositors has increased over one hundred per cent.

To give the details of the advance in the extent and methods of local banking, during the century, would be to give the history and statistics of our city. The picture, to insure its effect, must be given in all its details, and this is impossible on a canvas narrowed to the limits of this short review. It remains only for the general purpose of this sketch to direct attention to the increasing business of this old institution, the careful and conservative conduct of its board of management, and the generous measure of public confidence it enjoys; factors which have brought to the bank a reasonable measure of success.

RULES FOR THE EMPLOYEES OF THE UNION NATIONAL BANK OF DENVER.

Employees are expected to be present for duty at least one hour before opening, and as much earlier as necessary for the keeping up of their work.

It is not desired that employees work when ill. Yet it is not to be understood that they are to remain away from the bank if merely feeling indisposed; but to put in an appearance, and be assured that others are not less able to stay than themselves. If too ill to enter an appearance at the bank, word should be sent as early as nine o'clock.

The first aim should be accuracy. The second neatness. The third speed. But no speed nor beauty of clerical work can compensate for failure in accuracy.

Should the work assigned any employee appear on trial to be too severe, the fact is not to excuse failure. The work is to be kept up first and always, and changes will be made or assistance furnished on request, if shown to be necessary.

An employee is to keep up his own specific work; and after that to aid others if requested and it be necessary.

All books must be complete each day—the general books to be written up at the end of the day's business, and all others by the opening of business, the ensuing morning.

Employees are not to sign receipts or other papers for the bank unless specially authorized so to do.

Pass-books must be written up and ready when promised. It must be understood that if a bank expects its customers to keep their promises the bank must keep its own, whether they be trifling or otherwise. No promise is too little to keep.

Carelessness in leaving stock stationery in a disorderly condition is a habit that must grow worse with time, and consequently injure the prospects of him permitting it. Not so much from the little damage that may be caused, but from its being offensive generally, and from the indication it conveys of general carelessness and a lack of method and system.

Printed blanks should never be wasted by use as scratch pads. This indicates waste and carelessness in other directions.

Employees are expected to take two weeks vacation each summer, arranged so as not to interfere with the bank business or with each other.

Be courteous and obliging to customers and the public. A single case may seem of small moment, but one dissatisfied person a day caused by each of all the employees would make many thousand a year.

Be discreet in the choice of friends. A man is "sized up" by the company he keeps, and if a bank employe is known to be intimate with questionable characters, discriminating men will infer that the bank is carelessly managed in other particulars, as well as in the employment of assistants.

Employees should never enter a saloon except on unavoidable business. There are men in Denver, a part of whose occupation is to privately keep informed of the habits of clerks and others in confidential situations, and who can furnish an applicant information when required. Employees should realize that they are always writing their record, whether in or out of bank.

Quietness in the bank must be carefully cultivated. Loud calling from one to another, even though upon bank business, is only excusable when circumstances prevent going to the party addressed, and speaking so as not to disturb others or attract attention from the outside. The latter consideration is of very great importance. Customers awaiting service at the windows have eyes and ears open, and must be impressed favorably or unfavorably by what they see and hear. Boisterousness, or lack of coolness, or any appearance of being "rattled," conduce to unfavorable impressions.

In short, each employe must understand that the reputation of the bank, and consequently its success, depends in a measure upon his own habits, and the intelligence he exhibits in knowing and performing those parts of the bank business placed in his keeping.

HINTS ABOUT BANKING.

AN OLD CASHIER GIVES SOME EXCELLENT SUGGESTIONS.

1. If you wish to open an account with a bank, provide yourself with a proper introduction. Well-managed banks do not open accounts with strangers.

2. Do not draw a check unless you have the money in bank or in your possession to deposit. Don't test the courage or generosity of your bank by presenting or allowing to be presented your check for a larger sum than your balance.

3. Do not draw a check or send it to a person out of the city, expecting to make it good before it can possibly get back. Sometimes telegraphic advice is asked about such checks.

4. Do not exchange checks with anybody. This is soon discovered by your bank; it does your friend no good and discredits you.

5. Do not give your check to a friend with the condition that he is not to use it until a certain time. He is sure to take an out-of-town check from a neighbor, pass it through your bank without charge, and give him your check for it. You are sure to get caught. Discount no accommodation note; in the meaning of a bank it is a note for which no value has passed from the indorser to the drawer.

6. Do not give your check to a stranger. This is an open door for fraud, and if your bank loses through you it will not feel kindly toward you.

7. When you send your check out of the city to pay bills, write the name and residence of your payee, thus: "Pay to John Smith & Co., of Boston." This will put your bank on its guard if presented at the counter.

8. Don't commit the folly of supposing that because you trust the bank with your money, the bank ought to trust you by paying your overdrafts.

9. Don't suppose you can behave badly in one bank and stand well with the others. You forget there is a Clearing House.

10. Don't quarrel with your bank. If you are not treated well, go somewhere else; but don't go and leave your discount line unprotected. Don't think it unreasonable if your bank declines to.

11. If you want an accommodation note discounted, tell the bank frankly that it is not, in their definition, a business note. If you take a note from a debtor with an agreement, verbal or written, that it is to be renewed in whole or part, and if you get that note discounted and then ask to have a new one discounted to take up the old one, tell the bank about it.

12. Don't commit the folly of saying that you will guarantee the payment of a note which you have already indorsed.

13. Give your bank credit for being intelligent generally, and understanding its own business particularly. It is much better informed, probably, than you supposed.

14. Don't try to convince your bank that the paper or security which has already been declined is better than the bank supposes. This is only chaff.—*Confectioners' Journal*.

THE BANK OF MONTREAL.

It was in the year of 1817 that a group of Montreal merchants resolved upon founding a local bank, and accordingly we find the Bank of Montreal opened its doors in the next year, under the charge of Mr. Robert Griffin, with a capital of £87,500 Halifax currency, or say \$350,000. Its founders were amongst the foremost men in the commerce of Montreal; and two of these, Mr. Cuvillier and Mr. Torrance, lived to see its capital swelled to more than thirty times the original amount. In ten years the capital of the bank was doubled, and it rose to a million shortly before the rebellion of 1837. But by the year 1855 it had assumed the then great proportions of \$4,000,000, to be increased, fifteen years afterward, to \$6,000,000. At this period the general manager was Mr. E. H. King, who during the American civil war had so used the resources of the bank in several United States cities as to realize handsome profits for the institution, at the same time that he obtained a *clientele* in New York and Chicago which justifies the continued use in those centers of large sums of the bank's money. Yet another advance was made, namely, in 1873, when the paid capital was swelled to \$12,000,000, with a rest of \$5,000,000, the discounts being something over \$27,000,000. At that time the bank was paying to its shareholders dividends of 16 per cent. per annum. The progress and development of Canada is to be inferred from the figures we have given. For while large sums of the bank's money were employed out of the country—acting as it did in the capacity of a financial agency both in New York and London, introducing Dominion and Provincial loans as well as those of railways and other corporations—it is also true that the great industries of Canada, lumbering, forwarding, manufacturing, importing, have received through-

out its career of seventy-four years vital support and needed stimulus from the Bank of Montreal, which has thirty-six branches, scattered over the length and breadth of Canada. The operations of this bank are to-day properly termed enormous. There have always been enterprising and sagacious men on its board of direction, and it has never lacked for vigilant executive officers. Besides the shareholders' capital of \$12,000,000, and an accumulated reserve of \$6,000,000, it employs nearly \$24,000,000 of deposits. The loans and discounts of this great concern, as shown at the annual meeting in June last, are close upon forty millions of dollars.

It was well said by a gentleman of wide experience and observation, himself a banker, upon the occasion of the retirement of Mr. Angus from the general management of this bank a dozen years ago: "We doubt if there is a banking institution anywhere that calls, in its management, for more real banking ability and larger mental resources than the Bank of Montreal. . . . It aims to be what the Bank of England is in the old country—a bank for bankers as well as for merchants." These remarks imply a high standard of capacity in the men who should direct the transactions of our leading bank. And it will be admitted that the men who, within the memory of persons still living, administered its affairs, justified the confidence reposed in them and the reputation they earned. Such bankers as David Davidson, Edwin H. King, Richard B. Angus, the late C. F. Smithers, have each shown ability of a high order; and it says much for the thoroughness of training which our leading bank can give to its officials that one who is deemed worthy to succeed these men in the supreme control has been found, without going outside the bank's own staff, in the person of Mr. Edward S. Clouston, the present general manager.

He was born at Moose Factory, Hudson's Bay, 9th May, 1849, and is consequently in his forty-fourth year. Early taken from that remote point to be educated in Scotland, the boy found his home in the far north of the old land.

Ask where's the North?
At York 'tis on the Tweed;
In Scotland at the Orcades;

says the *Essay on Man*. It was at the Orkney Islands, the Orcades of the ancients, that he was educated in part, the remainder of his schooling being obtained at the High School of Montreal. But business life began early for the lad, for we hear of his being attached to the Montreal office of the Hudson's Bay Company as early as 1864, when he was but fifteen. In the next year he joined the Bank of Montreal, whose service he has never since left. Doubtless the youth went through the various stages of the life of a junior, and possibly he may have occasionally felt, as juniors do now-a-days, that there were rather "more kicks than half-pence" connected with it. But he did his work well, else we should not hear of him, as we do, being appointed to the responsible post of accountant at Brockville in 1870, when barely twenty-one. Next year he was made accountant at the Hamilton branch, and in two or three years thereafter was promoted to be assistant accountant at Montreal.

During the years 1875 and 1876 Mr. Clouston was placed upon special duty for his bank in New York and in London, England, which to a man of his observant habits afforded a valuable chance to learn something of foreign banking, to be of use to him in after years. Then in 1877 we find him stationed at head office as assistant inspector, Mr. R. B. Angus being at that time general manager of the bank. When, in 1879, Mr.

Angus left the service of the Bank of Montreal to be succeeded by Mr. Smithers, the appointment of assistant manager of the Montreal branch was conferred upon Mr. Clouston, and in 1881 that of manager, a post the most important of all outside the chiefs in head office. This position he held for six years, until, upon the lamented death of Mr. C. F. Smithers, in 1887, his appointment as assistant to Mr. Wentworth J. Buchanan, then general manager, was made. In June, 1890, the continued illness of Mr. Buchanan led to the appointment of Mr. Clouston as joint general manager, and upon the retirement of the former gentleman, in November last year, Mr. Clouston became general manager of the Bank of Montreal.—*Canadian Monetary Times*.

BANKING AS A PROFESSION FOR YOUNG MEN.

There is a common impression that, for a young man about to engage in banking, there is little or no prospect beyond a seat on a stool poring over a ledger, at a salary of a thousand dollars a year.

To my mind, however, there is to-day no more attractive field for an ambitious young man than is offered by the banking business. I have been trying to dispel the popular prejudice which seems to exist in regard to employes of banks. I recognize the fact that a young man who is the recipient of a fair salary in an institution and has become familiar with one class of work, which he can perform with quickness and accuracy, if he continues to do that work satisfactorily he virtually has secured a life position; consequently a large number of bank clerks settle down and are content to go forward in the same rut, year in and year out. It is a well-known fact that a bank clerk generally marries young, and having taken the leap into matrimony and incurred additional responsibility, if he has a moderately good income, he is reluctant to take the risk of making a change, consequently he is apt to get into a rut from which it is sometimes difficult to extricate him.

For an ambitious young man, who will start at the very foundation of the business, and be content to sweep out the office, and work early and late, in season and out of season, always keeping in mind the bank's interests, studying all financial problems which occur from day to day as best he can, reading the literature on the subject and posting himself thoroughly on all points pertaining to the business, and not being afraid to move forward and take responsibility upon himself, to this class of men the doors of the banking interest are thrown wide open and there is plenty of room within. The banking business has greater demands made upon it from day to day, and is more closely allied to all the diversified business interests of this country, than any other pursuit, and there is now more room at the top in this profession than in any other.

We all know that banks are busy places, and many times clerks grow despondent and disheartened after having worked hard and faithfully, feeling that their work has not been noticed or appreciated, and they may perhaps allow themselves to get into the habit of shirking when they believe it will not be discovered, or carelessly handling apparently unimportant matters. They should never lose heart, for faithful and conscientious work cannot be concealed and always comes to the front.—*James G. Cannon, Vice-President of the Fourth National Bank, New York.*

PRECIOUS METALS.

Mr. E. O. Leech, the Director of the Mint, has submitted to the Secretary of the Treasury a report on the operations of the mints and assay offices of the United States for the fiscal year ending June 30, 1892.

DEPOSITS AND PURCHASES.

The value of the gold deposited at the mints and assay offices during the year was \$66,476,975, of which \$61,131,460 were original deposits, and \$5,345,516 were re-deposits.

Of the original deposits, \$31,961,546 were the product of our own mines; \$24,975,342 foreign gold coin and bullion; \$557,968 light weight domestic gold coin; and \$3,636,604 old material.

The deposits and purchases of silver aggregated 72,121,268 standard ounces, of the coining value of \$83,922,930, of which 640,461 standard ounces, of the coining value of \$745,264, were re-deposits.

Of the silver received, 63,130,609 standard ounces, of the coining value of \$73,461,072, were the product of domestic mines and refineries; 2,118,078 standard ounces, of the coining value of \$2,464,672, were foreign silver bullion and coin; 5,593,907 standard ounces, of the coining value of \$6,509,274, were uncurrent domestic coins for re-coinage; 1,921 standard ounces, of the coining value of \$2,236, trade dollars melted; and 636,290 standard ounces, of the coining value of \$740,411, old plate, jewelry, etc.

COINAGE.

The coinage of the mints during the last fiscal year aggregated 113,556,124 pieces, valued as follows:

Gold.....	\$35,506,987.50
Silver dollars.....	8,329,467.00
Subsidiary silver.....	6,659,811.60
Minor coins.....	1,296,710.42
Total.....	\$51,792,976.52

The number of silver dollars coined during the fiscal year from bullion purchased under the act of July 14, 1890, was 3,450,995, and from trade dollar bullion 4,878,472, a total of 8,329,467 silver dollars, upon which the seignorage, or profit, was \$930,487.

The total coinage of silver dollars under the act of February 28, 1878, to the close of such coinage, was \$378,166,793, and under the act of 1890, to November 1, 1892, \$33,167,570, under the act of March 3, 1891, \$5,098,472, a total coinage of silver dollars since March 1, 1878, of \$416,412,835.

The net profit on the coinage of silver during the fourteen years ended June 30, 1892, including the balances in the coinage mints on July 1, 1878, has aggregated \$72,736,065.

BARS.

In addition to the coinage, gold bars were manufactured of the value of \$36,125,552, and silver bars of the value of \$7,130,270, a total of \$43,255,822.

SILVER PURCHASES.

The purchases of silver by the Government during the last fiscal year were all made under the mandatory provisions of the act of July 14, 1890.

requiring the purchase of four and one-half million ounces of silver in each month.

The total amount purchased during the year aggregated 54,355,748 fine ounces, costing \$51,106,608, at an average cost of 94 cents per fine ounce.

The total amount of silver bullion purchased under the act of February 28, 1878, from the commencement, March 1, 1878, to the end, August 13, 1890, was 323,635,576 standard ounces, costing \$308,199,261, an average cost of \$1.058 per fine ounce.

PRICE OF SILVER.

The price of silver fluctuated during the last fiscal year from \$1.02 per fine ounce, which was the price at the beginning of the year, to \$0.855, March 28, the lowest price, closing June 30, at \$0.873, a variation of \$0.17 an ounce during the last fiscal year.

Since July 1, 1892, the price of silver still further declined, until on August 11, 1892, it reached 83 cents a fine ounce, the lowest price silver ever reached. Since then the price has advanced, and at the present writing, November 1, 1892, it is \$0.86 per fine ounce.

At the lowest price of silver during the fiscal year, the commercial value of the pure silver contained in a silver dollar was 66 cents; at the highest price, it was \$0.786, and at the average price, \$0.724.

DISTRIBUTION OF SILVER DOLLARS.

The number of silver dollars distributed from the mints during the last fiscal year was 9,407,920, being \$3,800,874 less than in the previous year.

RECOINAGE OF SUBSIDIARY SILVER COINS.

The beneficial results of the liberal appropriations for the last two years for loss on recoinage of worn and uncurrent silver coins in the Treasury, is shown by the fact that the balance of such coins has been reduced from \$23,002,268, on July 1, 1890, to \$11,499,579 on November 1, 1892, a reduction of \$11,502,689.

By the recoinage of uncurrent coins in the Treasury, principally half-dollars, into new quarter-dollars and dimes, for which there was an urgent demand, the Treasury has been relieved of a large unavailable asset, and the small change of the country increased to a corresponding extent.

IMPORTS AND EXPORTS.

The total exports of gold from the United States during the fiscal year aggregated \$50,305,533, while the imports aggregated \$50,162,879, showing a net loss of \$142,654, against a loss for the preceding fiscal year of \$67,946,768.

The exports of silver aggregated \$33,800,562; and the imports of the same metal, \$28,764,734, showing a net loss of silver by export of \$5,035,828, against a net gain during the previous year of \$2,745,365, a change of \$7,781,193.

EARNINGS AND EXPENDITURES.

The total expenditures for the support of the mints and assay offices during the last year aggregated \$1,106,538, against \$1,335,910 expended in the prior year, a reduction of expenses amounting to \$229,371. The total earnings from all sources aggregated \$2,294,288, while the total expenditures and losses of all kinds aggregated \$1,500,494, a net profit of earnings over expenditures of \$793,794.

PRODUCT OF GOLD AND SILVER.

The mines of the United States produced during the calendar year 1891 precious metals as follows :

<i>Metals.</i>	<i>Fine Ounces.</i>	<i>Commercial Value.</i>	<i>Coining Value.</i>
Gold	1,604,840	\$33,175,000	\$33,175,000
Silver.....	58,330,000	57,630,040	75,416,565

The product of the refineries and reduction works of the United States, as contradistinguished from the product of our own mines, aggregated :

	<i>Fine Ounces.</i>
Gold.....	2,169,863
Silver.....	69,336,415

The product of gold and silver in the world, based upon returns to the Director of the Mint, was as follows :

<i>Metals.</i>	<i>Fine Ounces.</i>	<i>Commercial Value.</i>	<i>Coining Value.</i>
Gold.....	6,102,893	\$126,158,000	\$126,158,000
Silver.....	143,994,000	142,266,000	186,174,000

WORLD'S COINAGE.

The coinage of gold and silver in the various countries of the world during the calendar year 1891, so far as reports have been received, aggregated :

Gold.....	\$119,183,735
Silver.....	135,008,142

METALLIC STOCK OF THE UNITED STATES.

The stock of gold and silver in the United States on November 1, 1891, based upon official tabulations brought forward from year to year, was, approximately :

Gold.....	\$656,041,863
Silver.....	587,614,951

Total.....\$1,243,656,814

The amount of money in actual circulation [outside of Treasury vaults], including paper and metallic, was \$1,606,139,735, or \$24.34 per head.

USE OF GOLD AND SILVER IN THE INDUSTRIAL ARTS.

The value of the gold bars furnished for industrial use during the last calendar year was \$16,644,953, against \$14,605,901 in the prior year, an increase of \$2,039,052; and of silver \$9,631,746, against \$9,031,178 in the prior year, an increase of \$600,568.

If there has been no falling off in the amount of coin melted annually for use in repairs and jewelry, the total value of the precious metals used in the industrial arts and manufactures in the United States during the last year was approximately, gold, \$19,700,000, and silver, \$9,630,000, a total of \$29,330,000, of which \$10,697,679, gold, and \$7,289,073, silver, consisted of new bullion.

The report of the Director is replete with valuable information and statistical tables covering the product, coinage, and movement of the precious metals in the various countries of the world.

KANSAS BANKERS' ASSOCIATION.

The Kansas Bankers' Association met October 20th at Topeka, when Major C. Hood, of Emporia, the president, delivered the opening address. He congratulated the members upon the marked improvement in the financial condition of Kansas over that of a year ago. He said that the present was the most evident debt-paying era that the State had ever known. In fact, it was almost a "boom" in that direction. In all the years of the bankers' experience in the State they had never seen such a determination to pay debts.

Major Hood declined to allow his name to be used for re-election, and the following officers were elected for the ensuing year: President, M. W. Levy, of Wichita; secretary, T. J. Kellam, of Topeka; treasurer, J. W. Thurston, of Topeka. To the American Bankers' meeting at Chicago, P. G. Noel, of Topeka, was chosen delegate, and H. J. Smith, of Ottawa, alternate.

The following resolution was adopted:

We believe that the unlimited coinage of silver at the present ratio with gold would unsettle finance, disturb business, and be injurious to the wage worker as well as all other citizens, and that with hope we look forward to the International Monetary Conference in Belgium to solve the silver problem.



SHUT UP IN A BANK VAULT.

W. S. French says: "I noticed a news item in the papers the other day giving the experience of a bank cashier who had been accidentally locked in his own vault, and being heard by the janitor was released after a few hours of torture. It made me shudder when I read it, for it recalled an incident in my own life. I was a clerk in the First National Bank of Louisville, Ky., at the time, and one evening, just at closing time, I took my hat to leave the office, and seeing a paper flutter on the edge of a shelf in the vault, and thinking it a deed we had been looking for, I stepped in to secure it. At the same instant the cashier, whose back had been to me, turned and closed the heavy door without even glancing in, as he supposed I had gone. I screamed, yelled and kicked, but the noise of closing and locking the safe completely drowned my voice, and the fact flashed across my mind that I was buried alive, for I knew the cashier would not be back till morning. I beat the door and screamed till I lost consciousness. When I came to, I found myself lying out on the floor of the bank, while the cashier was dashing cold water into my face. The time was about 9 o'clock at night. I learned that the cashier, when getting ready to retire, became impressed with the idea that he had failed to lock the vault properly, and it worried him so that he could not resist coming down to see. After getting there, he opened the vault and I was saved. My experience is all I want in that line. It has taught me what it is to be buried alive."—*St. Louis Globe-Democrat.*

BOOK NOTICES.

The Economy of High Wages. An Inquiry into the Cause of High Wages and their Effect on Methods and Cost of Production. By J. SCHOENHOF. With an Introduction by THOMAS F. BAYARD, late Secretary of State. G. P. Putnam's Sons: New York and London. 1892.

The Farmers' Tariff Manual by a Farmer. By DANIEL STRANGE. G. P. Putnam's Sons: New York and London. 1892.

Taxation and Work. A Series of Treatises on the Tariff and the Currency. By EDWARD ATKINSON, LL. D., Ph. D. G. P. Putnam's Sons: New York and London. 1892.

The object of these works is to show the evils of the existing protective system and the advantages of free trade. They are full of facts, and no one can attentively peruse them without having his mind quickened. Although constantly discussed, the subject seems to be hardly nearer of solution than it was many years ago. The problem from the producer's point of view is, under what system can a man put forth his best efforts; accomplish the most with the greatest economy, and secure the best division of the product or outcome of his skill and energy. It is contended on the one hand that these results can be best achieved by the existing system; on the other, that pure free trade is the ideal system for attaining these ends. It can be easily shown that a protective system has often resulted in the use of inadequate methods and machinery, in the exercise of less skill and intelligence than would have been put forth under a rival system. It can be easily shown, too, that prices paid by consumers have often been higher in consequence of establishing and maintaining this system. It can also be shown that the system has often resulted, in consequence of the large profits, in over-production, thereby reducing profits to a vanishing point. On the other hand, it can be shown that by establishing this system, industry has been stimulated in a wonderful manner; a home market has been created; the country has grown populous and wealthy in a marvelous way, followed by an industrial independence which would not have been possible under the other system. All these results may be illustrated by abundant facts. The books before us, like so many others that have been issued, are replete with facts sustaining the grounds of contention from the point of view adopted. Some new elements, however, have entered into the controversy worthy of notice. All the leading European nations, except Great Britain, have either adopted or strengthened the system which prevails in the United States, and this change complicates the problem here, and lessens the success of the system from the protectionist point of view. The problem generally confronting us with respect to other nations has been, not is protection the best system for us if all nations shall adopt and maintain it, but can

we maintain it if other nations maintain either free trade, or a system less highly protective than our own? This has been the real question, though not always clearly seen. It cannot be denied that one of the consequences of our protective system has been to stimulate production in a very extraordinary manner; so great, indeed, that the profits in many industries have been reduced to zero, just as free traders have all along contended would be the result of excessive stimulation. This, however, is followed by another consequence which is both unexpected and condemned by the protectionists—the combination of those engaged in a similar business, either openly in the form of trusts, or secretly, to stifle competition, raise prices and reap larger profits. Probably this latest consequence of protection will do more to overthrow the system than any event that has ever happened; for it must lead all to see more clearly than ever the selfishness of the system, and that, so far as consumers are concerned, they cannot be worse off, did the opposite system prevail. The books before us are an armory from which weapons may be drawn to fight the unending battle. Mr. Schoenhof's book especially is full of interesting facts, and well written. It is, indeed, one of the most interesting books of the kind that we have examined for a long time, yet it is by no means unanswerable. For example, in the seventh chapter he shows the futility of attempting to create by a protective tariff the manufacture of linen and cotton, embroideries and laces. The same arguments have been put forth to show the futility of establishing a tin industry in our country, yet it is clear enough that the industry can be established and maintained. So long as our country depended wholly on foreign tin, we were at the mercy of foreign manufacturers, and paid their prices. Twice did Mr. William E. Dodge attempt to manufacture tin goods in this country, and on both occasions as soon as the factory was started foreign prices were reduced solely for the purpose of ruining his business; and as soon as his factory was closed prices were again raised. If tin factories had not been established in this country there is no reason for supposing that the old prices would have declined, for why should foreign manufacturers have lowered them? The old theory which formerly prevailed, that selfishness would lead manufacturers to compete with each other and thus reduce prices, enabling consumers to buy advantageously, has more than once broken down, for the reason that manufacturers have learned that far more can be made by acting in harmony than by competing, and so, in truth, the foreign prices of tin goods imported into this country have been maintained with great uniformity for many years, nor is there the least reason for supposing that they would have ever changed if their manufacture had not been undertaken in this country. Thus, the question is a very large one, and no writer seems to go all round the subject. Most writers seem to be content to adopt a point of view and then seek to maintain that as firmly as possible. This is one of the reasons why a solution of the question seems to be as far off as ever. Another reason is, that both systems are founded in selfishness, and thrive in a purely selfish atmosphere. The conflict, therefore, seems to be simply between two systems of selfishness—which is the best or which is the worst? So long as it does not pass beyond this stage, it is easy enough to describe innumerable evils existing in both systems.

One Hundred Years of the Hartford Bank, now the Hartford National Bank, of Hartford, Conn. Prepared at the request of the President and Directors by P. H. WOODWARD. Hartford, Conn. Press of the Case, Lockwood & Brainard Company. 1892.

Several bank histories have been written, but all of them have too much local coloring. There were fine opportunities in preparing the histories of the banks of North America, and of the State of New York, to give some account of banking in Philadelphia and New York which would have greatly added to the interest and value of those books. Besides containing an interesting account of the operations of the bank, other facts are woven into this history which add very much to the value of the work. It also has an especial value at this time. The statement is frequently made just now that if the people revived the system of State bank issues, it would be sounder than the old one. This book contains a complete refutation of this assertion, for the earliest State bank system was much sounder than systems adopted at a later period. The truth is, as the charter of this bank shows, the system was founded on highly conservative principles. Two or three extracts may be given which clearly show this. "While the capital remained at one hundred thousand dollars no person, copartnership, or body politic, except the State of Connecticut, was permitted to hold more than thirty shares. In the choice of directors and other business respecting the institution, the holders of one or two shares were entitled to one vote, between two and ten to one vote for every two shares, and between ten and thirty to one vote for every four shares. No person or corporation could cast over ten votes."

Again, "to guard against surprises it was further enacted that after the first election no share or shares should entitle the holder to a right of suffrage unless he had been the legal proprietor according to the regulations of the bank at least three calendar months before the meeting at which he claimed to exercise the right."

"The directors were empowered to invest in the funds of the United States so much of the capital as they might judge to be for the benefit of the institution. *The lawful issue of notes or bills was limited to fifty per cent. of the capital and actual deposits combined.*"

From these extracts it will be seen that the notes of the bank were based on abundant security; bad banking was a product of later date; our fathers began well enough, but their descendants have degenerated; and the great fear is that in the present age the greed for money-making is so great that if State bank systems are established they are likely to be far worse than the old ones.

It was difficult in the beginning to circulate the notes of the bank, notwithstanding the soundness of their security, for the people had suffered greatly from the State and Continental issues, and were afraid to take any kind of paper money. The story is told on page 67, how the bills were first circulated, and how eagerly the friends of the bank sought to preserve the specie foundation. One is reminded of the early days of the Bank of North America. "When the farmer was offered for his produce the bills of the new bank he was expected to quote a little household wisdom about

the 'burnt child' and to express a preference for silver, often in terms too strong to leave the least doubt in regard to his meaning. Meanwhile, the friends of the institution, as occasion offered, scattered broadcast facts and assertions intended to inspire confidence. Piles of coin were temptingly displayed behind the counter. Bills presented by countrymen were redeemed with smiling alacrity. Having gotten the cash so easily, before leaving town they were often persuaded to change back by a convenient 'mutual friend,' many of that serviceable fraternity being on the alert to inject missionary work wherever it promised to do good. Gradually the course of the bank in keeping every promise to the letter conquered the distrust produced by the miserable fate of Colonial and Continental issues, and so firmly established its credit that for three generations the wildest financial panic has not caused a tremor in the structure. 'As sound as the old Hartford Bank' early in the century became a proverb, not only in the Connecticut Valley, but among the settlers on the shores of Lake Erie and beyond."

We wish we had more space to describe this interesting book. As already said, it is something more than a mere narrow history of the Hartford Bank. It is full of interesting facts, and can be heartily commended to all who are interested in American banking history.

Public Finance. By C. F. BASTABLE, LL. D., Professor of Political Economy in the University of Dublin, Examiner in the University of London. Macmillan & Co.: New York and London. 1892.

It is remarkable that an English treatise on this subject has not appeared before. An excellent French treatise on the subject, Leroy-Beaulieu's, has existed for many years; and there are a number of German works, two of which are in the hands of translators. Prof. Bastable's work is a systematic presentation of the principles pertaining to public revenues and expenditures. After a general introduction, public expenditures are described under the following heads: cost of defense; justice; poor relief; education and religion; industry and commerce; central and local expenditures, besides some other topics. Then the sources of revenue are considered; lands and forests; the industrial domain; and State property. These matters occupy two hundred and thirty-eight pages; then the subject of taxation is treated elaborately, occupying two hundred pages more. The next portion of the work relates to the subject of indebtedness, while the final portion deals with the budget. This treatise will be gladly welcomed here as well as in England, though it must be said that it might have been made much more useful to American students. The taxation of land, for example, which occupies a large place in the systems of taxation in this country, receives inadequate treatment, as well as a number of other topics which are of special interest to Americans. Indeed, the author, while seeming to have an adequate knowledge of German and French literature pertaining to the subject, is not so well equipped in American finance, either national or local. It is true that, while we have no systematic literature on the subject, it would not have been difficult for the author, had he so desired, to have obtained more complete information than he evidently possesses on the matters relating to finance

in this country. We suppose, however, that the work is intended more especially for England than for America; nevertheless, it can be studied with great profit by American students. The application of the theories so well set forth in this work can be done by students themselves without the author's aid. After all, his lack of knowledge of the situation here is a minor matter which can be easily collected or supplied by American readers.

The Law of Bank Checks in the United States. By HENRY C. VAN SCHAAACK, of the Denver Bar. The Chain & Hardy Co.: Denver, 1892.

There is a noteworthy tendency to prepare law books for the ordinary layman, and the work before us belongs to this class. There is nothing incomprehensible in the law to an intelligent person; indeed, we know several bankers whose knowledge of banking law is more extensive and accurate than that of many a lawyer who is the special adviser of a banking institution. The book before us contains an outline of the law relating to checks; their essential requisites; the mode of presenting them and of giving notice of dishonor and of protest; their negotiability; certification; forgery and alteration; mode of collection; responsibility of banks for the defaults of sub-agents; overdrafts, and other subjects. The book is well prepared, and will adequately serve the purpose for which it was intended. We cannot help remarking, however, that, considering the quantity of matter, only 275 pages, 12mo., \$3.00 is a very large price for it. Perhaps the author regards the quality as superior to other law books, but the price certainly is the steepest of any law work of the size in the market.

The Investor's Review. By A. J. WILSON. Longmans, Green & Co.: London and New York. 1892.

The article of special interest to American readers in this number relates to the "American Railroad of To-Day," by S. F. Van Oss. The writer possesses an accurate knowledge of the arts and mysteries of railroad management in the United States. Another article on "The Allsopp's Brewery Transaction" is a curious disclosure. This periodical is a new departure, and if continued with the same critical intelligence and evident desire to put investors in possession of accurate knowledge pertaining to investments, it will serve a highly useful purpose.

We have received from Messrs. North & Co., Bankers, of Unadilla, N. Y., a most tastefully gotten up Souvenir book with views of their bank (exterior and interior), also of the water power, and street views. It will be a grateful remembrancer to the people of Unadilla and their friends.

BANKING AND FINANCIAL ITEMS:

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

FLA....Palatka.....Putnam Nat. Bank.	MASS...Plymouth....Five Cents Sav. B.
ILL....San Jose.....San Jose State B'k.	OHIO...Steubenville..Union Deposit B.
ME.....Belfast.....People's Nat. B'k.	WASH...Spokane.....B. of Spokane Falls

Other banks which have made minor improvements, put in new vaults, etc., are the following :

CONN...Middletown..Mid. Co. Nat. Bk.	KY.....Covington...Cov'gton Trust Co.
" Wallingford..First National Bk.	R. I....Providence...Nat. Bank of N. A.

EASTERN STATES.

DERBY, CONN.—A letter has been published in the *New Haven Register* relating to a Derby Bank bill issued in 1825. "The Derby Bank was chartered in 1809, and previous to the war of 1812 Derby was largely interested in foreign commerce, and a rival of New Haven. But this war was very disastrous to many of its inhabitants—many of their vessels were captured by privateers and its foreign business ruined. The citizens were so embarrassed and impoverished by this loss of vessels and commerce that it did not pay the bank to continue its business. Its officers desired to move it to New Haven, but the Derby people objected. They then paid off all claims against the bank except those of stockholders and closed the doors. So it remained for some years, when, in 1825, some Wall street brokers purchased the stock, reopened the bank, and, to give the bills better circulation, made them payable at the Fulton Bank, New York, and the bill was printed with "Fulton Bank" in such large type that the first impression was that it was that bank's issue. The Fulton Bank redeemed them as presented, agents were employed to circulate the bills in the adjoining towns, and when a sufficient amount was in circulation to satisfy the brokers the deposit in the Fulton Bank, which was in their individual names, was withdrawn, the Fulton Bank stopped redeeming them, and the Derby Bank suspended. The Legislature of Connecticut repealed its charter and made no provision for a receiver ; its creditors took what they could get, and, as no payment or dividend was ever made to the holders of the bills, the loss to them was total."

BANGOR, ME.—The Second and Merchants' National Banks of Bangor and the First National of Brunswick are the only banks east of New York having a surplus and undivided profits in excess of their capital stock. The Second ranks as 50th among the banking institutions of the country in this respect, having a surplus of \$290,000 upon a capital stock of only \$150,000.

NEW YORK CITY.—The old Seventh Ward Bank was established in 1833, and pursued the even tenor of its way until 1865, when it was chartered under the National banking law as the Seventh National Bank. It now has at the corner of Broadway and John street an exceedingly pleasant banking house, the old furniture and fittings having been replaced with light, airy and modern furniture, making the banking rooms very attractive. The bank is a success, being under the able management of Col. McAnerney as president, and vice-president James Hall, of the firm of Cooper, Hewitt & Company.

NEW YORK CITY.—A new bank is to be started in place of the old North River Bank, now in a receiver's hands. It is to be called the Franklin National Bank. Plans are not yet ripe for the announcement, but it is understood that Thomas L. James and Commodore Van Santvoord figure prominently in the proposed organization. This is construed to mean that the Vanderbilt interests which are behind the Lincoln National Bank are to be extended into the down-town banking field. It is said that the bank will be started with \$100,000 capital and \$100,000 more to be credited at the start to surplus account.

AMSTERDAM, N. Y.—Each of the three National banks show by their statements, large earnings. It will be sufficient in proof of this to cite the evidences of prosperity of but one bank, the youngest in the city. The Amsterdam City National Bank was established only three years ago. It has a cash capital of \$200,000, a surplus fund of \$40,000, and undivided profits of \$58,067, and its total resources foot up \$300,000. The other National banks show up equally well. Add to this the \$450,000 on deposit in the Amsterdam Savings Bank, an institution barely four years old, and we have some substantial evidence of the assertion that Amsterdam is prosperous. — *Amsterdam Democrat*.

BUFFALO, N. Y.—Stephen M. C. Clement, Buffalo's well-known, honored and trusted capitalist and banker, is dead. Mr. Clement was born in the town of Manlius, Onondaga County, New York, on Feb. 26, 1825. He received a common school education and then went into the grocery business, first as clerk and soon after on his own account. At the age of 30 he sold his store and stock in hand and occupied the trust of cashier of H. J. Miner's bank at Fredonia. In the following year he organized the Fredonia Bank and became its cashier. This bank was soon succeeded by the Fredonia National Bank, with Mr. Clement still in the position of cashier, until 1867, when he was elected president. Mr. Clement held this office uninterruptedly until 1881. Meanwhile he had bought some stock in the Marine Bank of Buffalo and was elected cashier. In January, 1881, he was made president of the Marine Bank, which office he held up to the day of his death. From the very start the Marine Bank of Buffalo had been most successful and creditable, but during the twenty years in which Mr. Clement had a voice in the doings of the institution the business has greatly increased, the annual profits being twenty-three per cent. on the capital stock. Mr. Clement's banking business has not been confined to Buffalo alone. He has always been prominent in National banking connections and meetings in the interest of the country's banking industry. Mr. Clement was also president of the Merchants' National Bank of Dunkirk, a director of the Bank of North America—one of New York's most noted banking houses—and a director of the First National Bank of Faribault, Minn. The advice and opinion of Mr. Clement in financial matters was always looked upon by the Buffalo business community as being thoroughly reliable, and as the opinion of a man who had the results of his experience at hand. Mr. Clement has always seemed to have underlying all his motions and acts, a deep sense of his responsibility as the custodian of the property of others. It is just this feeling that has kept him from entering into any speculation or of taking any great risks with the bank's resources. The generous fortune that he has accumulated in these many years of strict attention to business is due neither to fortunate ventures nor to inheritance, but solely to his industry, perseverance, energy, good judgment, and above all to his incorruptible honesty and justice. Mr. Clement was president of the Bankers' Association of Buffalo, and was very influential in establishing the Buffalo Clearing House.

PHILADELPHIA.—Bank Examiner Hart has just concluded an examination into the condition of the Third National Bank and pronounced everything satisfactory. This is the financial institution which had such a hard rub through ex-City Treasurer Bardsley, and was only brought back into good condition by General Louis Wagner's assumption of the presidency. When he took charge the bank was \$250,000 in debt and on July 18, 1891, the individual deposits aggregated but \$58,758. On the same date of this year the debt was wiped out, \$5,000 carried as a surplus, and the individual deposits increased to \$550,127. A further increase in deposits was shown on September 30 last, when the amount was \$771,425. The sales of stock show an appreciation of the present condition, as but \$88 was bid in March, but on October 18, at the last public sale, \$105 was offered.

PHILADELPHIA.—The officers of the Fourth Street National Bank are happy over the big increase in the business of the bank, as shown by the last statement. The statement shows resources of nearly \$15,000,000; the loans now aggregate \$10,262,198, the deposits \$11,698,783, and the surplus and undivided profits \$851,920.

VERMONT.—Three new savings institutions have been organized in Vermont the past year, the Capital Savings Bank and Trust Company of Montpelier, the Orleans Trust Company at Newport, and the Proctor Trust Company at Proctor.

Two trust companies have declared dividends of 10 per cent., two eight per cent., six six per cent., one five per cent., and two three per cent.

SOUTHERN STATES.

PALATKA, FLA.—The new bank is called the Putnam National Bank and has a capital of \$50,000. The bank numbers among its stockholders some of Florida's wealthiest and most substantial citizens and business men, among whom are John H. Colvin, W. B. Barnett, J. H. Durkee, George L. Pace, John G. Christopher, W. J. Harkisheimer, Dr. E. T. Sabal, J. E. Ortina and P. A. Smith, of Jacksonville. J. K. Russell, of Olustee, Col. John A. Henderson, of Tallahassee, John T. Dismukes, of St. Augustine, William Brown and James Pritchard, bankers, of Titusville, Martin Griffin, Judge Vertrees, Dr. MacGregor and Dr. Cyrus, of Palatka. Mr. Griffin, the president, has had much experience in the banking business in Memphis, Tenn., and Mr. Pace and Mr. Smith have been in the banking business in this city for about ten years.

ROME, GA.—There is nothing which so forcibly illustrates the prosperity of a city as does the condition of its banks, and on this score Rome has just reason to be proud. The First National has reached the point where its surplus is greater than its authorized capital, and there are few banks in the country which can claim as much. There are in the United States 130 such banks. This shows the solid prosperity of Rome, and augurs well for the future.—*Rome Tribune*.

ANNAPOLIS, MD.—The Farmers' National Bank of Annapolis has paid to its stockholders in dividends since 1865, when it was made a National bank, over half a million of dollars.

BALTIMORE.—A curiosity in the shape of an old continental bank note has been received at the Merchants' National Bank from E. H. Carr, teller of the Bank of Montreal, Hamilton, Canada. Mr. Carr wished to know if the note was genuine, and if it was still current. The note is $2\frac{3}{4}$ by 4 inches, printed in black ink on white paper. On each end of the obverse side is printed "Continental Currency, Thirty Dollars." These words, with "The United Colonies," at the top and bottom, form a border on the note. To the left of the middle is a circle inclosing the words "Si-Recte-Facias." The central design of the circle is an altar erected among mountains. A wreath rests upon the altar. To the right of the circle is the following inscription: "Thirty Dollars. This bill entitles the bearer to receive thirty Spanish milled dollars, or the value thereof in gold or silver, according to a resolution of Congress passed at Baltimore. Feb. 26, 1777. J. Barney." The reverse side has a border and two circular designs, representing scenes on the ocean. "Thirty Dollars" and "Printed by Hall & Sellers" are the words stamped above and below the designs.

CRISFIELD, MD.—This is the largest town in Somerset County, and the seat of commercial and industrial activity in the county. The town itself contains about 3,200 inhabitants, while the adjoining mainland and islands are exceedingly populous and prosperous. Immense sums of money are handled each season and there are no banking facilities whatever in the town. The people bank with Baltimore, Princess Anne, Salisbury and Pocomoke City, and considerable inconvenience is experienced to secure checks for money to forward bank or secure cash to pay off crab and oyster operatives especially. Change is frequently an impossibility. The leading citizens of the town have determined to establish a bank, either a National or savings bank, as may be determined hereafter, and nearly all of the capital has been subscribed.

CHATTANOOGA, TENN.—The consolidation of the Merchants' National and the Citizens' Bank and Trust Company will have the effect of strengthening the latter institution, which has been managed with remarkable energy and intelligence. There will be no diminution of banking facilities; only the broadening of one bank that has shown in its management the true banking talent, and achieved success. Nor will we lack competition. The Merchants' National was in a healthy condition. It was by no means "embarrassed." Its stockholders and directory believed that the merging would, by saving expenses, and through other means not necessary to mention, make their relations to the business more profitable. It is a wise movement all round for those directly concerned and for the commercial, business and manufacturing interests of the city.—*Chattanooga Times*.

TEMPLE, TEX.—The statements published by the National banks of Temple show heavier deposits than were ever before enjoyed. The deposits, excluding cotton money, reach the respectable sum of \$225,000, and of that the farmers may be credited with \$200,000. The farmers have kept heavy deposits all the year, and the close living brought about by the scare at prices on cotton has worked a great benefit. Nearly every farmer has a surplus of cash, and Bell County may be considered in better financial condition than ever before. Large crops of corn, oats and cotton have been made, and the good prices for the grain and fine prospect for advances in cotton make things lovely in this section.—*Dallas News*.

RICHMOND, VA.—The First National Bank is another of those splendid financial institutions of the South, which, springing into being when the moneyed capital of the section was merely nominal, has grown to be a grand factor in Richmond's ever-increasing prosperity. Organized in April, 1865, it was two years later consolidated with the Exchange National. It has always ranked as a very strong and well-managed institution, and its business and resources are steadily growing. Mr Isaac Davenport, Jr., who died last year, was at the head of its affairs for twenty-three years, and under his management the First National prospered and rapidly took first place among the best banking establishments of the country. The capital of this bank is \$600,000, while they have the handsome surplus of \$400,000, and an undivided profit account of over \$50,000. The esteem in which the management of the bank is held is further attested by a line of individual deposits which average \$2,000,000. An idea of the growing strength of the institution may be had from the annual statements, which show that both the deposits and surplus profits are twice what they were ten years ago. Under the administration of Mr. A. L. Boulware, who succeeded Mr. Davenport as president, the bank has prospered wonderfully, and though he has been in charge but a few months the business has largely increased.—*Richmond Times*.

WESTERN STATES.

DENVER, COL.—The Guarantee Trust Company has been organized by Denver men with a capitalization of \$250,000. The company has engaged offices with the Real Estate Title Guarantee Company. The company is organized for the purpose of acting as trustee, guardian, receiver, assignee, etc., to receive moneys on deposit and make loans on real estate and collateral. Of the company are a number of prominent attorneys who will aid in making the company a success such as has been done by members of the profession in Eastern cities. W. J. Miller is president and M. M. Van Fleet secretary and treasurer.

KANSAS.—The last quarterly statement of the State Bank Commissioner of Kansas shows an increase in the total deposits reported of over one and a half million dollars from June 1 to September 1. The resources of the 448 State and private banks doing business in Kansas are \$34,637,146.19. In all of these institutions the bank commissioner finds the deposits steadily growing, and the increase is as marked in the country banks as in those located in the larger towns and cities. It has also been discovered that a large proportion of the depositors throughout the State are farmers, and in numerous instances the heaviest stockholders are engaged in agriculture. Since the creation of the office of bank examiner by the Legislature in 1890 there has been a steady multiplication of banks outside of the large centers of population. The numerical increase has been conspicuous in the lesser towns and villages which serve as trading points for the inhabitants of the rural districts.

MICHIGAN.—The banks in Detroit are paying the assessment made upon capital stock under protest. Receiver of Taxes Stoll served all the banks with a notice to the effect that if the assessment against the stockholders of the bank was not paid, he would proceed to levy upon the property of all such stockholders. This was in accordance with advice from City Counselor Speed. Shortly after the notices were served the checks began to come in, and when the office closed \$33,772.99 had been paid. Each check was accompanied by a written protest, saying that the assessment was illegal, excessive and void, because when the levy was made the banks were the holders of real estate mortgages upon property, which had also been assessed, and that the difference between the stock and mortgages should be refunded.

LINCOLN, NEB.—The officers of the American Exchange National Bank are

impressed with the evidence of good times that surround them, and will prepare for a larger field of influence by moving into the room in the Richards block, at Eleventh and O streets, formerly occupied by the Lincoln National. The American Exchange is one of the younger banks of the city. It was started four years ago with a capital of \$50,000, which has twice been doubled.

WAUSAU, WIS.—The deposits in the First National Bank, at Wausau amount to nearly \$700,000. At least \$500,000 of this amount belongs to the farmer and working classes in that vicinity.

MILWAUKEE.—The following tables, compiled from the Chamber of Commerce reports, afford an interesting comparison :

MILWAUKEE BANKING CAPITAL IN 1885.	
Wisconsin Marine and Fire	\$ 100,000
First National.....	200,000
National Exchange.....	200,000
Milwaukee National.....	250,000
Second Ward.....	200,000
Merchants' Exchange.....	100,000
South Side Savings.....	25,000
	<hr/> \$1,075,000
MILWAUKEE BANKING CAPITAL IN 1892.	
Wisconsin Marine and Fire.....	\$ 500,000
First National.....	200,000
National Exchange.....	400,000
Merchants' Exchange.....	100,000
Milwaukee National.....	250,000
Marshall & Ilsley.....	200,000
Second Ward.....	200,000
Plankinton.....	200,000
Commercial.....	250,000
South Side Savings.....	50,000
	<hr/> \$2,350,000
Wisconsin National.....	1,000,000
	<hr/> \$3,350,000
Milwaukee banking capital in 1892.....	\$3,350,000
Milwaukee banking capital in 1885.....	1,075,000
	<hr/>
Increase in seven years.....	\$2,275,000

The Marshall & Ilsley Bank was not represented in the Chamber of Commerce report of 1885, because it was not an incorporated bank at that time. The bank of Houghton Bros., not being incorporated, is not represented in the reports. Milwaukee banks are stable enterprises conducted with local capital, and managed in accordance with the canons of conservative, legitimate banking. They will give a broader scope to the enterprise of steady men engaged in the healthy operations of manufacturing and commerce. Their presence indicates that Milwaukee has become a metropolis, and they will greatly aid her solid growth.—*Evening Wisconsin.*

PACIFIC STATES.

SAN FRANCISCO.—At the annual meeting of the stockholders of the Nevada Bank 22,132 shares were represented. The president's annual report showed the bank to be in a most flourishing condition ; depositors are increasing and the gross income for the year was \$345,302 and the net profit \$247,689.71. Two quarterly dividends at the rate of 6 per cent. per annum have been declared, and the bank officials think that they will be able to continue them from this on. The old board of directors, consisting of I. W. Hellman, John W. Mackay, Robert Watt, H. L. Dodge, J. L. Flood, H. F. Allen, Levi Strauss, John F. Bigelow, Lewis Gerstle, C. de Guigne and D. N. Walter, was re-elected. I. W. Hellman was re-elected president ; John F. Bigelow, vice president ; D. B. Davidson, cashier, and George Grant, assistant cashier.

SAN FRANCISCO, CAL.—The annual meeting of the Bank of California showed a financial record even more remarkable than last year. After writing off \$177,277 in old accounts, which could not be collected, the bank's net earnings were \$450,000, or \$40,000 in excess of last year. This gave the stockholders 15 per cent. per year in dividends. The old board of directors and officers were re-elected.

OFFICERS OF BANKERS' ASSOCIATIONS.

AMERICAN BANKERS' ASSOCIATION.

W. H. Rhawn, President.... Philadelphia	William B. Greene, Secretary.... New York
M. M. White, Vice-President.... Cincinnati	George F. Baker, Treasurer.... New York

ALABAMA BANKERS' ASSOCIATION.

William R. Rison, President.... Huntsville	J. M. Davidson, Secretary.... Birmingham
Robert Goldthwaite, V.-P.... Montgomery	T. S. Plowman, Treasurer.... Talladega

ARKANSAS BANKERS' ASSOCIATION.

S. H. Horner, President..... Helena	Creed T. Walker, Treasurer... Little Rock
M. H. Johnson, Secretary..... Little Rock	

CALIFORNIA BANKERS' ASSOCIATION.

I. W. Hellman, President.... San Francisco	George H. Stewart, Sec..... Los Angeles
E. F. Spence, Vice-Pres..... Los Angeles	G. W. Kline, Treasurer.... San Francisco

COLORADO BANKERS' ASSOCIATION.

R. W. Woodbury, President..... Denver	G. E. Ross-Lewin, Secretary..... Denver
M. D. Thatcher, First V.-P..... Pueblo	John L. McNeil, Treasurer..... Denver

FLORIDA BANKERS' ASSOCIATION.

F. W. Hoyt, President..... Fernandina	Thos. W. Conrad, Sec. and Treas.,
F. P. Forster, First Vice-Pres..... Sanford	Jacksonville

ILLINOIS BANKERS' ASSOCIATION.

Thomas S. Ridgway, Pres.... Shawneetown	Edward D. Keys, Sec. and Treas.,
John J. P. Odell, First V.-P..... Chicago	Springfield

INDIANA BANKERS' ASSOCIATION.

Thos. W. Woollen, President.... Franklin	R. E. Niven, Secretary..... Thorntown
H. D. Reasoner, Vice-President.... Marion	E. B. Porter, Treasurer..... Indianapolis

IOWA BANKERS' ASSOCIATION.

S. F. Smith, President..... Davenport	J. M. Dinwiddie, Secretary.. Cedar Rapids
V. F. Newell, First Vice-P.... Des Moines	J. F. Latimer, Treasurer..... Hampton

KANSAS BANKERS' ASSOCIATION.

Calvin Hood, President..... Emporia	H. E. Ball, Asst. Secretary..... Topeka
John A. Swenson, Secretary.... Lindsborg	S. H. Lanyon, Treasurer..... Pittsburgh

KENTUCKY BANKERS' ASSOCIATION.

Thomas L. Barret, President.... Louisville	Eldridge Palmer, Treasurer..... Paducah
Clinton C. McClarty, Sec..... Louisville	

MICHIGAN BANKERS' ASSOCIATION.

S. O. Fisher, Pres. West Bay City	F. W. Hayes, Secretary..... Detroit
Edwin F. Uhl, Vice-Pres... Grand Rapids	D. W. Briggs, Treasurer..... Saginaw

MISSISSIPPI BANKERS' ASSOCIATION.

A. G. Campbell, President..... Natchez	B. W. Griffith, Sec. and Treas.... Jackson
W. A. West, Vice-President..... Oxford	

MISSOURI BANKERS' ASSOCIATION.

W. J. Anderson, President.... Kansas City	Jno. Caro Russell, Sec. and Tr... St. Louis
James M. Wilcoxson, V.-P..... Carrollton	

NEBRASKA BANKERS' ASSOCIATION.

E. K. Valentine, President.... West Point	A. L. Clarke, Secretary..... Hastings
---	---------------------------------------

NORTH DAKOTA BANKERS' ASSOCIATION.

H. Strong, President..... St. Thomas	Sidney Clark, Secretary..... Grand Forks
S. S. Lyon, Vice-President..... Fargo	R. S. Adams, Treasurer..... Lisbon

OHIO BANKERS' ASSOCIATION.

J. W. Chamberlain, President.....Tiffin | S. B. Rankin, Sec.....South Charleston
A. S. Eastbrook, Vice-President...Dayton | Henry C. Herbig, Treasurer....Coshocton

SOUTH DAKOTA BANKERS' ASSOCIATION.

F. G. Hale, President.....Scotland | D. Williams, Secretary.....Webster
William Fisher, Vice-President.....Volga | George H. Rathman, Treas.....Mitchell

TENNESSEE BANKERS' ASSOCIATION.

T. G. Montague, Pres.....Chattanooga | Frederick Fowler, Secretary.....Memphis
A. W. Brockway, V.-P.....Brownsville | C. W. Schulte, Treasurer.....Memphis

TEXAS BANKERS' ASSOCIATION.

A. P. Wooldridge, President.....Austin | J. E. Longmoor, SecretaryRockdale
E. M. Longcope, First V.-P.....Lampasas | E. O. Tenison, Treasurer.....Dallas

WASHINGTON BANKERS' ASSOCIATION.

Jacob Furth, President.....Seattle | Sam. B. Dusingberre, Secretary...Puyallup
Jules L. Prickett, First V.-P.....Spokane | F. E. Goodall, TreasurerSpokane

WISCONSIN BANKERS' ASSOCIATION.

N. B. Van Slyke, President.....Madison | Jas. K. Ilsley, Secretary.....Milwaukee
F. G. Bigelow, First V.-P.....Milwaukee | Frank J. Kipp, Treasurer.....Milwaukee

Sterling exchange has ranged during October at from 4.85½ @ 4.87½ for sight, and 4.82½ @ 4.86 for 60 days. Paris—Francs, 5.18½ @ 5.16½ for sight, and 5.20½ @ 5.18½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.82½ @ 4.83; bankers' sterling, sight, 4.86 @ 4.86½; cable transfers, 4.86½ @ 4.86½. Paris—Bankers', 60 days, 5.20½ @ 5.20; sight, 5.18½ @ 5.17½. Antwerp—Commercial, 60 days, 5.22½ @ 5.21½. Reichmarks (4)—bankers', 60 days, 94½ @ 95; sight, 95½ @ 95½. Guilders—bankers', 60 days, 40 @ 40 1-16; sight, 40 3-16 @ 40¼.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Oct. 3.	Oct. 10.	Oct. 17.	Oct. 24.	Oct. 31.
Discounts	5½ @ 6½	6 @ 6½	6½ @ 7	6½ @ 7	6 @ 6½
Call Loans.....	5 @ 4	9 @ 5	7 @ 5½	6 @ 5	6½ @ 5
Treas. balances, coin....	\$93,950,212	\$93,575,831	\$93,863,369	\$94,133,234	\$94,833,114
Do. do. currency..	14,417,544	11,344,737	9,453,644	7,793,135	6,754,332

The reports of the New York Clearing-house returns compare as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Oct. 1.	\$464,905,500	\$71,921,000	\$51,621,000	\$476,598,800	\$5,674,600	\$4,392,400
" 8.	463,298,100	71,907,000	48,134,500	472,419,700	5,576,500	1,916,575
" 15.	459,525,000	71,782,500	45,802,300	468,183,000	5,571,700	332,055
" 22.	452,333,900	70,649,300	45,024,400	460,895,100	5,611,400	2,332,420
" 29.	449,112,800	72,850,900	45,305,300	457,030,100	5,636,300	3,893,675

The Boston bank statement is as follows:

1892.	Loans	Specie.	Legal Tenders.	Deposits.	Circulation.
Oct. 1.	\$164,082,300	\$10,074,600	\$6,298,100	\$145,681,200	\$4,880,900
" 8.	164,104,700	9,700,600	6,428,500	146,866,400	4,926,700
" 15.	164,950,600	9,887,200	6,206,300	140,194,300	4,939,000
" 22.	163,565,000	10,005,200	5,974,500	147,737,200	4,957,000
" 29.	162,693,800	9,729,800	6,900,700	144,674,800	4,890,700

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	Loans	Reserves	Deposits.	Circulation.
Oct. 1	\$110,579,000	\$31,339,000	\$114,454,000	\$3,553,000
" 8.	110,630,000	30,337,000	112,869,000	3,579,000
" 15.	110,581,000	29,414,000	112,790,000	3,532,000
" 22.	110,349,000	28,471,000	111,454,000	3,562,000
" 29.	109,929,000	26,376,000	110,568,000	3,585,000

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from October No., page 316.)

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N.Y.	CITY. Central National Bank.....	L. S. Lee, <i>Ass't.</i>	
"	" West Side Bank.....	Christian F. Tietjen, <i>P.</i>	John W. B. Dobler.
"	" Fidelity and Casualty Co.....	Geo. F. Seward, <i>P.</i>	W. M. Richards.*
ALA.	Security Bank, Anniston.....	Chas. B. Cooke, <i>Cas.</i>	P. B. Brown.
ARK.	American Nat. B., Fort Smith.....	Fred Titgen, <i>Cas.</i>	E. C. Haskett.*
"	" Greene Co. Bank, Paragould.....	W. H. Ritter, <i>Cas.</i>	J. A. Perkins.
CAL.	First National Bank, Oakland.....	D. Henderson, <i>V. P.</i>	Geo. D. Metcalf.
COL.	First Nat. B'k, Idaho Springs.....	Thos. Cooper, <i>V. P.</i>	Silas Hanchett.
"	" Pueblo National Bank, Pueblo.....	D. R. Greene, <i>P.</i>	Geo. W. Robinson.
DAK.	N. Merchants N. B., Devil's Lake.....	August Peterson, <i>Cas.</i>	H. G. Merritt.
ILL.	City National Bank, Cairo.....	John S. Aisthorpe, <i>Cas.</i>	T. W. Halliday.*
"	" Will Co. Nat. Bank, Joliet.....	Geo. F. Ort, <i>Ass't.</i>	John S. Aisthorpe.
"	" Patriot Deposit Bank, Patriot.....	J. A. Henry, <i>P.</i>	W. S. Brooks.*
IND.	Patriot Deposit Bank, Patriot.....	W. F. North, <i>Cas.</i>	C. R. Green.
IOWA.	Davenport Sav. B., Davenport.....	Henry C. Struck, Jr., <i>Cas.</i>	J. B. Meyer.
"	" Farmers N. B., Webster City.....	J. H. Shipp, <i>Cas.</i>	Aug. F. Hoffman.
KAN.	First Nat. Bank, Great Bend.....	E. L. Chapman, <i>P.</i>	J. W. Rush.
KY.	Anderson County Deposit Bank, Lawrenceburg.....	L. J. Witherspoon, <i>P.</i>	J. A. Witherspoon.
LA.	Peoples State B., LaFayette.....	P. B. Roy, <i>P.</i>	C. Debaillon.
"	" State Nat. Bank, New Orleans.....	Crow Girard, <i>Cas.</i>	Geo. L. McClure.
"	" State Nat. Bank, New Orleans.....	S. R. Parkerson, <i>Ass't.</i>	
MA.	Burrill Nat. B., Ellsworth.....	J. H. O'Connor, <i>P.</i>	J. H. O'Connor, <i>protem.</i>
MD.	Chestertown National Bank, Chestertown.....	Samuel J. Morrison, <i>V. P.</i>	
"	" Chestertown National Bank, Chestertown.....	Harry Rickey, <i>Cas.</i>	Jos. Peterson.
MASS.	Ludlow Savings B'k, Ludlow.....	Geo. D. Green, <i>P.</i>	C. F. Grosvenor.
"	" Ocean Nat. B., Newburyport.....	Elbridge G. Woodwell, <i>Cas.</i>	Philip H. Lunt.
"	" Merchants Nat. Bank, Salem.....	E. Aug. Emmerton, <i>P.</i>	James P. Cook.*
MICH.	Ypsilanti Savings Bank, Ypsilanti.....	S. M. Cutcheon, <i>P.</i>	D. C. Batchelder.
"	" Ypsilanti Savings Bank, Ypsilanti.....	Henry P. Gliven, <i>V. P.</i>	S. M. Cutcheon.
MINN.	Beaver Creek B., Beaver Creek.....	C. W. Smith, <i>P.</i>	P. E. Brown.
"	" Lyon Co. Nat. B'k, Marshall.....	F. W. Sickler, <i>Cas.</i>	S. D. How.
MO.	First Nat. Bank, Cameron.....	R. H. Alexander, <i>Ass't.</i>	C. W. Stevens.
"	" Holt Bank, Holt.....	Wm. S. March, <i>P.</i>	Abner J. Porter.
"	" Continental Nat. Bank, Kansas City.....	G. Hayes, <i>P.</i>	Elmer Williams.
"	" Kansas City Nat. Bank, Kansas City.....	J. W. Gray, <i>and Ass't.</i>	
MONT.	Helena National Bank, Helena.....	Shirley C. Ashby, <i>P.</i>	John T. Murphy.
"	" Helena National Bank, Helena.....	A. B. Clements, <i>V. P.</i>	Shirley C. Ashby.
NEB.	Citizens Bank, Atkinson.....	E. Williams, <i>Cas.</i>	Geo. W. Lusk.
"	" Packers N. B., South Omaha.....	F. J. Moriarty, <i>Ass't.</i>	
N. J.	North Ward Nat. Bank, Newark.....	Benj. F. Crane, <i>P.</i>	C. S. Graham.*
"	" Newark Nat. Bank, Newark.....	Geo. Lane, <i>V. P.</i>	
N.Y.	Marine Bank, Buffalo.....	J. M. Richmond, <i>P.</i>	S. M. Clement.*
"	" Second Nat. B., Cooperstown.....	Geo. M. Jarvis, <i>Cas.</i>	Henry L. Hinman.
"	" Exchange Nat. Bank, Olean.....	C. D. Clarke, <i>Ass't.</i>	
OHIO.	Cleveland Nat. B'k, Cleveland.....	Thos. W. Hill, <i>Cas.</i>	
PA.	First Nat. Bank, Glen Rock.....	Paul J. Beck, <i>Cas.</i>	W. C. Wambaugh.*
S. C.	Miners and Merchants Bank, Charleston.....	Arthur Lynah, <i>P.</i>	T. D. Jervey.
"	" Charleston Nat. Bank, Charleston.....	W. H. Warley, <i>Cas.</i>	Arthur Lynah.
TENN.	Bank of Cumberland Gap.....	W. H. Lazenby, <i>Cas.</i>	J. E. Lanck.
"	" Weakley Co. Bank, Dresden.....	J. D. Little, <i>Cas.</i>	John McGlothlin.
"	" First Nat. Bank, Rockwood.....	G. N. Henson, <i>P.</i>	Morton Fouckee.
TEXAS.	First Nat. Bank, Kaufman.....	Wood Nash, <i>Cas.</i>	W. L. Huff.
"	" First Nat. Bank, Montague.....	A. J. Wolverton, <i>P.</i>	F. M. Kinsey.
VT.	Howard Nat. B'k, Burlington.....	Joel H. Gates, <i>V. P.</i>	C. M. Spaulding.
"	" Clement Nat. Bank, Rutland.....	O. F. Harrison, <i>Cas.</i>	Edw. T. Smith.
VA.	Alleghany B'k, Clifton Forge.....	Geo. K. Anderson, <i>Cas.</i>	J. L. Page.*

* Deceased

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
WASH.	Puget Sound Nat. B., Everett.	A. J. Hayward, <i>P.</i>	
"	Browne Nat. Bank, Spokane.	B. B. Glascock, <i>V. P.</i>	H. N. Belt.
"	Washington Nat. B., Tacoma.	M. M. Taylor, <i>P.</i>	E. N. Ouimette.
Wis.	First Nat. B'k, Fort Atkinson.	L. B. Caswell, <i>V. P.</i>	G. L. Cole.
"	Superior N. B., West Superior.	Henry P. Peterson, <i>Cas.</i>	
ONT.	Canadian B'k of Commerce, } Ailsa Craig. }	G. M. Wedd, <i>M'g'r.</i>	T. A. Stephen.
"	Traders B. of Canada, Aylmer.	H. P. MacMahon, <i>M'g'r.</i>	F. J. Winlow.
"	Canadian B'k of Commerce, } Park Hill. }	G. M. Wedd, <i>M'g'r.</i>	T. A. Stephen.
"	Traders B. of Canada, Sarnia.	F. J. Winlow, <i>M'g'r.</i>	J. C. Douglas.
"	Traders Bank of Canada, } Tilsonburg. }	E. C. Jackson, <i>M'g'r.</i>	H. P. MacMahon.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from October No., page 314.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ALA.	Blocton.....	Blocton Savings Bank.....	Seaboard National Bank.
"	\$25,000	Irby Morgan, Jr., <i>P.</i>	Jesse B. Wadsworth, <i>Cas.</i>
ARK.	Newport.....	Jackson Co. Savings Bank..	United States National Bank.
"	\$50,000	Sigmund Wolff, <i>P.</i>	Wm. A. Billingsley, <i>Cas.</i>
"		G. W. Hurley, <i>V. P.</i>	F. A. Jones, <i>Ass't.</i>
DAK. N.	Emerado.....	Farmers Bank.....	Gilman, Son & Co.
"		John Birkholz, <i>P.</i>	T. M. George, <i>Cas.</i>
"	Grand Forks....	Merchants National Bank..	Hanover National Bank.
"	\$50,000	Adelbert W. Warren, <i>P.</i>	Daniel P. McLaurin, <i>Cas.</i>
"		George D. Lay, <i>V. P.</i>	D. H. Warren, <i>Ass't.</i>
"	Towner.....	First Bank of Towner.....	
"	\$10,000	H. F. Salyards, <i>P.</i>	J. G. Davis, <i>Cas.</i>
DAK. S.	De Smet.....	Bank of De Smet.....	
"	\$25,000	John H. Carroll, <i>P.</i>	Thos. I. Robinson, <i>Cas.</i>
"		Mathew Robinson, <i>V. P.</i>	E. J. Imus, <i>Ass't.</i>
FLA.	Palatka.....	Putnam National Bank....	Chase National Bank.
"	\$50,000	Martin Griffin, <i>P.</i>	Geo. L. Pace, <i>Cas.</i>
"		Parker A. Smith, <i>V. P.</i>	
IDAHO.	Genesee.....	First National Bank.....	
"	\$50,000	Jno. P. Vollmer, <i>P.</i>	E. A. McKenna, <i>Cas.</i>
ILL.	Murphysboro..	City National Bank.....	Chase National Bank.
"	\$50,000	J. E. Walker, <i>P.</i>	John G. Hardy, <i>Cas.</i>
"		John M. Herbert, <i>V. P.</i>	John S. Norman, <i>Ass't.</i>
"	Princeville.....	Peoples Bank.....	Hanover National Bank.
"		N. Marston, <i>P.</i>	R. Cameron Henry, <i>Cas.</i>
"		Chas. R. Kaiser, <i>V. P.</i>	Wm. B. Kaiser, <i>Ass't.</i>
IND.	Colfax.....	Commercial Bank.....	
"		Wm. J. McConnell, <i>P.</i>	Joseph W. McConnell, <i>Cas.</i>
"	Corydon.....	Harrison County Bank.....	United States National Bank.
"	\$10,000	C. M. Miller, <i>P.</i>	S. Pfrimmer, <i>Cas.</i>
"	Monon.....	Monon Bank.....	
"		Cornelius M. Horner, <i>P.</i>	Charles H. Baxter, <i>Cas.</i>
"	Muncie.....	Delaware Co. Nat. Bank...	
"	\$100,000	Emmet M. Smith, <i>P.</i>	Chas. H. Church, <i>Cas.</i>
"	Remington.....	Citizens Bank.....	
"	\$20,000	Henry O. Harris, <i>P.</i>	O. B. McIntire, <i>Cas.</i>
"		J. C. Harris, <i>V. P.</i>	G. A. Chappell, <i>Ass't.</i>
IOWA.	Armstrong.....	State Bank.....	
"	\$25,000	F. E. Allen, <i>P.</i>	Geo. Stickney, Jr., <i>Cas.</i>
"	Clio.....	Bank of Clio.....	National Bank Republic.
"	\$15,000	D. M. Bruner, <i>P.</i>	W. T. Grimes, <i>Cas.</i>
"		Geo. A. Wright, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IOWA....	Davenport.....	Farm. & Mech. Sav. Bank.. \$100,000 Frederick Heinz, <i>P.</i> Claus Stoltenberg, <i>V. P.</i>	John B. Meyer, <i>Cas.</i>
"	Galva.....	Galva State Bank..... \$25,000 Byron E. Whealen, <i>P.</i>	Geo. B. Whealen, <i>Cas.</i>
"	Garner.....	First National Bank..... \$50,000 James M. Elder, <i>P.</i> A. C. Ripley, <i>V. P.</i>	United States National Bank. J. J. Upton, <i>Cas.</i>
"	George.....	George Savings Bank..... \$13,600 B. L. Richards, <i>P.</i> H. W. Reintz, <i>V. P.</i>	Clarence T. Tupper, <i>Cas.</i>
"	Malvern.....	Strahan & Christy's Bank.. J. M. Strahan, <i>P.</i>	C. B. Christy, <i>Cas.</i>
"	Stanwood.....	J. H. Coutts.....	Marvin L. Simmons, <i>Cas.</i>
LA.....	Natchitoches ..	Exchange Bank..... \$10,000 J. W. Cockerham, <i>P.</i> J. M. Tucker, <i>V. P.</i>	American Exchange Nat. Bank.
ME.....	Belfast.....	Peoples National Bank..... \$50,000 Lewis A. Knowlton, <i>P.</i>	
MD.....	Canton.....	Canton National Bank..... \$50,000 Martin Wagner, <i>P.</i> Joshua Horner, <i>V. P.</i>	Lincoln National Bank. John W. H. Geiger, <i>Cas.</i>
MASS...	West Lynn.....	West Lynn Trust Co..... \$100,000 Roland G. Usher, <i>P.</i> Chas. O. Breed, <i>V. P.</i>	
MICH...	Morenci.....	Bank of Morenci..... \$25,000	Hanover National Bank. Geo. Herbert Gates, <i>Cas.</i>
"	Norway.....	Norway Banking Co..... John Perkins, <i>P.</i> A. Northrop, <i>V. P.</i>	Richard C. Browning, <i>Cas.</i>
MINN...	Alden.....	Bank of Alden..... \$10,000 Monroe D. Hawner, <i>P.</i> S. C. Gardner, <i>V. P.</i>	Joseph S. Ulland, <i>Cas.</i>
"	Princeton.....	First National Bank..... \$50,000	Swan S. Petterson, <i>Cas.</i>
"	Welcome.....	Bank of Welcome..... \$5,000	James H. Abbott, <i>Cas.</i>
MO.....	Green Castle...	Comstock Castle Bank.... \$10,000 Chas. B. Comstock, <i>P.</i> Ichabod Comstock, <i>V. P.</i>	Chase National Bank. Leila L. Comstock, <i>Cas.</i>
"	New Franklin ..	Citizens Bank..... \$15,000 Stephen Callaway, <i>P.</i> H. W. Elliott, <i>V. P.</i>	John H. Alsop, <i>Cas.</i>
MONT...	Kalispel.....	Conrad National Bank \$100,000 Chas. E. Conrad, <i>P.</i> William G. Conrad, <i>V. P.</i>	National Bank of the Republic. Warren A. Conrad, <i>Cas.</i>
NEB....	Daykin.....	Jefferson County Bank.... \$10,000 John B. Wright, <i>P.</i> Douglas B. Welpton, <i>V. P.</i>	Chase National Bank. Frank B. Welpton, <i>Cas.</i>
OHIO...	Ashville.....	Ashville Bank..... \$25,000 Wm. A. Henry, <i>P.</i>	United States National Bank. John L. Arthur, <i>Cas.</i>
TENN...	Knoxville.....	Associated B'g & Trust Co.. Charles Dawes, <i>P.</i>	Wm. H. Geers, <i>Cas.</i>
TEXAS..	Higgins.....	Exchange Bank..... \$25,000 Linton J. Usher, <i>P.</i> W. F. Pugh, <i>V. P.</i>	National Park Bank. John M. Pugh, <i>Cas.</i>
"	Robert Lee....	Coke County Bank..... W. F. Buchanan, <i>P.</i>	D. L. Buchanan, <i>Cas.</i>
VA.....	Orange.....	State Bank..... \$12,500 S. R. Nelson, <i>P.</i> Jas. W. Morton, <i>V. P.</i>	Hanover National Bank. M. G. Field, <i>Cas.</i>
W. VA.	Kenova.....	Kenova Loan & Trust Co.. \$25,000 Jos. S. Miller, <i>P.</i>	United States National Bank. Chas. C. Coe, <i>Cas.</i>
"	Martinsburgh..	Citizens Nat. Bank..... \$100,000 J. W. McSherry, <i>P.</i>	John B. Wilson, <i>Cas.</i>

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during October, 1892.

- CAL....Needles..... Needles National Bank, by Walter F. Crosby, Denver, Col., and associates.
- ILL....Monticello.First National Bank, by Wm. Noecker and associates.
- IND....Gas CityFirst National Bank, by C. E. Pritchard and associates.
- IOWA....Glidden.....First National Bank, by C. S. Dunkle and associates.
- " Sanborn.....First National Bank, by William Harker and associates.
- KY....Cloverport....First National Bank, by Robert Burbank Pierce and associates.
- MD....Catonsville....Home National Bank, by Edwin J. Farber and associates.
- MICH....Muskegon.....National Lumbermans Bank, by Colon C. V. Tillinghurst and associates.
- NEB....Crete.....Crete National Bank, by Chas. Offutt, Omaha, Neb., and associates.
- OHIO....MiamisburgCitizens National Bank, by T. V. Lyons and associates.
- PA....Corry.....National Bank of Corry, by Lew E. Darrow, Albion, N. Y., and associates.
- WIS....Bayfield.....First National Bank, by A. E. Jefferson, Hudson, Wis., and associates.
- " Milwaukee.....Central National Bank, by Geo. G. Houghton and associates.
- " So. Milwaukee..South Milwaukee National Bank, by T. W. Spence, Milwaukee, Wis., and associates.

PROJECTED BANKING INSTITUTIONS.

- ALA....Luverne.....James Folmar, of Troy, will open a bank at Luverne.
- ARK....Black Rock....Black Rock Bank; capital, \$10,000. J. H. Martin, President; T. J. Wilson, Vice-President; J. J. Bryan, Cashier.
- " Eldorado. . .Bank of Eldorado; capital, \$25,000. B. W. Reeves, President; J. R. Moore, Vice-President; R. W. Smith, Jr., Cashier.
- " New Lewisville.Bank to be started at this place.
- CAL....Golden Gate...A. L. Willey, E. Reed, and others are starting a bank at this place.
- COL....Aspen.....J. B. Wheeler Banking Co.; capital, \$100,000. Stockholders: J. B. Wheeler, R. S. Holt, C. L. Weinberg, Benjamin Ferris, H. R. Woodward, H. T. Tissington, F. W. Adams.
- " Denver.....W. N. Byers, R. W. Woodbury, M. Spangler, Frank Trumbull, John Gallup are organizing a trust company; capital, \$1,000,000.
- Dak. N. Grand Forks...Farmers Bank will commence business soon.
- DAK. S. Carthage.....Merchants Bank opened for business.
- " Lesterville....W. H. Shaw, Cashier of the Scotland Bank, will start a bank in Lesterville.
- " RoswellBank of Roswell.
- FLA....Jacksonville...Bouknight Banking Co.
- ILL....Mahomet.....New bank to be started.
- IND....Converse.....New bank to be started with \$25,000 capital.
- " Eaton.....R. L. Romey and other Fort Wayne capitalists are organizing a bank at Eaton.
- " Monroeville....Citizens State Bank; capital, \$30,000. J. B. Nieser, President; C. Youse, Vice-President; C. P. Mitchell, Cashier.

- IND....Westport.....Westport wants a bank.
- IOWA....BrownntonNew bank to be established.
- ..Dakota City...First National Bank to be started. Capital, \$50,000.
- KAN....Kansas City....C. Wilson, Frank Schook, F. M. Pellett, C. M. Stevens and others, are establishing a National bank.
- ..Toronto.....New bank started.
- LA.Baton Rouge...Peoples Savings Bank; capital, \$50,000. Andrew Jackson, President; C. J. Reddy, Vice-President; D. M. Reymond, Secretary and Treasurer.
- ME....Livermore Falls.New bank to be established.
- MD....Crisfield.....Thos. S. Hodson and Clarence Hodson are organizing a bank here.
- MASS....G't Barrington.James W. Burns, of Pittsfield, is establishing a second National bank at Great Barrington.
- ..Medford.....Medford National Bank to be established.
- MICH....Ann Arbor.....State Savings Bank; capital, \$50,000. A. L. Noble, President; William Arnold, First Vice-President; W. J. Booth, Second Vice-President; Dr. D. Zimmermann, Treasurer.
- ..Grand Haven..New dime savings bank to be established.
 - ..Grand Rapids..West Side Bank; Major J. A. McKee, President.
 - ..Hudson.....Thompson Savings Bank; capital, \$100,000.
 - ..Northville....A savings bank to be established.
- MINN....Good Thunder..New bank.
- ..West Duluth...A new bank is to be started at West Duluth; capital, \$25,000. J. O. Washburn, President; Charles W. Hoyt, Cashier.
- MISS....Summit.....Peoples Bank; capital, \$25,000. C. Atkinson, President; Julius Moyse, Vice-President; E. S. Atkinson, Cashier; E. T. McNair, Assistant Cashier.
- MO....Kansas City...George F. Putnam, W. J. Anderson, J. V. C. Karnes, A. Whipple, H. C. Schwitzgebel are starting a trust company.
- ..Willow Springs.New bank to be started. Directors: H. J. Rowe, J. J. Augersbach, E. M. Rowe, J. T. Kibler, H. B. McDaniel, S. W. Wilkerson, C. J. Trowbridge, S. J. Ward, J. W. Garman.
- NEB....FairburyFairbury Savings Bank; capital, \$50,000. Incorporators: E. E. Goodrich, G. J. Carpenter, James Sarbach, H. Y. McClosky, H. P. Showalter, W. Brainard, L. W. Goodrich.
- ..Murray.....New bank to be started.
 - ..Tecumseh.....Mr. C. A. Pierce, of Bennett, Neb., is starting a bank at Tecumseh.
- N. Y....Freeport.....Freeport Bank; Mr. W. S. Hall, Cashier.
- ..Lyons.....J. D. V. Westfall, Banker.
 - ..New York City.Franklin National Bank started, to take place of North River Bank.
 - ..Port Henry. ..Walter Merrill and Eugene Wyman are starting the Second National Bank of Port Henry.
 - ..Shushan.....New National bank to be established by Mr. Cole, of Castleton, Vt., and others.
- OHIO....BloomfieldWarren Gilmore & Co., of Warren, Ohio, are starting a bank at Bloomfield.
- ..Columbus.....East End Savings Bank; capital, \$50,000. Incorporators: Thomas E. Knauss, David Greene, Wm. D. Brickell, Wm. D. Park, G. H. Bargar.
 - ..Hudson.....New bank to be established.
 - ..Spencer.....Exchange Bank; S. W. Clark, proprietor.
- PA....Elizabeth.....First National Bank; capital, \$50,000.
- ..McKeesport...Samuel and John A. Shaw are organizing the Second National Bank of McKeesport.
 - ..Washington...The Dime Savings Institute has been chartered.
- S. C....Camden.....Farmers and Merchants Bank.

- VA.....Portsmouth....New bank to be started.
 VT.....Williamstown...New bank to be chartered.
 WASH..Oakesdale.....Oakesdale Savings Bank opened.
 W. VA..Welch.....Bank of Welch; capital, \$50,000. Incorporators: J. H. Bramwell, Elkhorn, W. Va.; John Cooper, Cooper's, W. Va., and others.
 Wis....Eau Claire....Byron A. Buffington, J. C. Culver and others are starting a bank with \$10,000 capital.
 " ..Milwaukee.....German-American Bank; capital, \$100,000. Incorporators: Emil Durr, W. D. Gray, F. F. Riedel, L. T. Pullen, Chas. F. P. Pullen.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from October No., page 318.)

No.	Name and Place.	President.	Cashier.	Capital.
4799	Canton National Bank..... Canton, Md.	Martin Wagner,	John W. H. Geiger,	\$50,000
4800	Farmers National Bank..... Shelbyville, Ind.	Jas. S. Jeffers,	Samuel P. McCrea,	100,000
4801	Farmers National Bank..... Mulberry, Ind.	Henry C. Harris,	Jas. M. Sims,	50,000
4802	First National Bank..... Langdon, N. Dak.	W. J. Mooney,	W. F. Winter,	50,000
4803	Conrad National Bank..... Kalispel, Mont.	Chas. E. Conrad,	Warren A. Conrad,	100,000
4804	City National Bank..... Murphysboro, Ill.	J. E. Walker,	John G. Hardy,	50,000
4805	National Bank of Urbana..... Urbana, Ohio.		A. F. Vance, Jr.,	100,000
4806	Peoples National Bank..... Belfast, Maine.	Lewis A. Knowlton,		50,000
4807	First National Bank..... Princeton, Minn.		Swan S. Petterson,	50,000
4808	First National Bank..... Genesee, Idaho.	Jno. P. Vollmer,	E. A. McKenna,	50,000
4809	Delaware Co. National Bank... Muncie, Ind.	Emmet M. Smith,	Charles H. Church,	100,000
4810	First National Bank..... Garner, Ia.	J. M. Elder,	J. J. Upton,	50,000
4811	Citizens National Bank..... Martinsburgh, W. Va.	J. W. McSherry,	John B. Wilson,	100,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from October No., page 319.)

- NEW YORK CITY.....Albert Kelley & Co. succeeded by Johnson, Kelley & Miller.
 ARK....Hope.....Peoples Bank (W. R. Crossett) closed.
 " ..Hot Springs...Hot Springs Valley Bank reported closed.
 DAK. N.Towner.Bank of Towner succeeded by First Bank of Towner.
 ILL....Murphysboro..Bank of Murphysboro (J. E. Walker & Co.) succeeded by City National Bank.
 IND....Dunkirk.....Evans, Girtton & Co. succeeded by Edwin Hoover, same correspondent.
 IOWA...Galva.....Whealen Bros. succeeded by Galva State Bank.
 " ..Garner.....Hancock County Bank and City Bank succeeded by First National Bank.

- IOWA...Malvern.....B. F. Buffington & Son succeeded by Strahan & Christy's Bank.
 * ..Sioux City.....Commercial National Bank and Iowa State National Bank will consolidate under latter title.
- KAN....Windom.....Windom State Bank reported closed.
- KY....MiddlesboroughPeoples Bank closed.
- MASS...Boston.....Basset, Whitney & Co. succeeded by Wm. Basset, same correspondent.
- MICH...Clarkston...Jossman & Bird succeeded by Clarkston Exchange Bank (E. Jossman).
 * ..Dundee.....Monroe County Bank incorporated, same officers and correspondents.
- MO.....Holt.....Holt Bank incorporated.
- NEB....Ainsworth.....Ainsworth State Bank closed.
 * ..Bartlett.....Yeazel & Brown discontinued.
 * ..Daykin.....State Bank of Daykin succeeded by Jefferson Co. Bank.
- N. H....Concord.....E. H. Rollins & Sons moved to Boston, Mass.
- N. J....Trenton.....Real Estate, Safe Deposit, Trust & Investment Co., title changed to Trenton Trust & Safe Deposit Co.
- N. Y....Dayton.....N. M. Allen & Son succeeded by Norman M. Allen.
- OHIO...Urbana.....Third National Bank succeeded by National Bank of Urbana.
- R. I....Providence....Providence Trust Co. closing.
- S. C....Yorkville.....Exchange Bank succeeded by Gilbert's Exchange & Collection Agency.
- TENN..Chattanooga...Merchants National Bank has gone into voluntary liquidation.
- WASH..Sultan City...Bank of Sultan City closed.
 * ..Tacoma.....National Bank Republic has gone into voluntary liquidation.
- WIS....Mayville.....Mayville Exchange Bank (S. W. Lamoreux) succeeded by State Bank of Mayville.
- ONT....Alvinston.....Conn's Banking House reported assigned.

DEATHS.

COOK.—On October 23, aged seventy-two years, JAMES P. COOK, President of Merchants' National Bank, Salem, Mass.

GRAHAM.—On October 1, aged seventy-three years, C. S. GRAHAM, President of North Ward National Bank, Newark, N. J.

HALLIDAY.—On September 18, aged forty-eight years, THOMAS W. HALLIDAY, Cashier of City National Bank, Cairo, Ill.

HASKETT.—On September 23, aged thirty-two years, E. C. HASKETT, Cashier of American National Bank, Fort Smith, Ark.

HIXON.—On September 23, GIDEON C. HIXON, President of La Crosse National Bank, La Crosse, Wis.

HOWELL.—On October 7, aged forty-two years, GEORGE R. HOWELL, of the firm of Decker, Howell & Co., New York City.

JUDGE.—On October 10, aged fifty-seven years, JAMES JUDGE, President of Citizens' National Bank, Darlington, Wis.

MCGLOTHLIN.—On September 15, aged thirty-five years, JOHN MCGLOTHLIN, Cashier of Weakley Co. Bank, Dresden, Tenn.

SMITH.—On October 23, aged sixty-four years, AMOS SMITH, President of First National Bank, Chillicothe, O.

SPENCE.—On September 19, aged fifty-nine years, E. F. SPENCE, President of First National Bank, Los Angeles, Cal.

STEVENSON.—On October 6, aged forty-six years, DAVID STEVENSON, President of Mutual Bank, New York City.

WAMBAUGH.—On September 30, aged thirty-one years, W. C. WAMBAUGH, Cashier of First National Bank, Glen Rock, Pa.

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

DECEMBER, 1892.

No. 6.

EFFECTS OF THE PRESIDENTIAL ELECTION ON
BUSINESS.

The recent election will bring a new party into control of the Government, having for the first time in many years complete control of the legislation of the country. During President-elect Cleveland's former term the Senate remained in the hands of the Republicans, and therefore it was quite impossible for his party to declare and enforce a policy. Things are now changed. For the first time since 1860, a period of thirty-two years, the Democratic party will soon be in control, and the question in the minds of everyone is, what changes will be wrought, and what will be their effect on the business of the country? In other ways there may be important changes, but it is proposed in the present article to restrict our outlook simply to changes in business legislation. What is likely to be done, and how much are the business and industrial interests of the country likely to be affected?

It is quite certain that the party must do something. For many years it has been declaring that changes were required, not only in the tariff, but in legislation concerning banking and in other important matters. The party has been constantly saying that the business of the country has been suffering from the existing policy, and that changes would be beneficial to all interests. And it is

certain that the majority have come to believe in this way of thinking, if they think at all. The Democratic party have certainly made many of the workingmen believe that their condition will be benefited by intrusting them with the administration of the Government; that there will be better times; more work; larger pay, and also lower prices for whatever they buy. Whether this state of things will come to pass is quite another question; but at all events the workingmen have come to think that their condition will be much improved by a change.

With respect to the two candidates it must be said that both of them had an excellent record, and the campaign was singularly free from abuse. Both candidates had the respect of the people generally, and but little fault was found with them on personal grounds. There has not been a campaign for many years with such a distinct issue before it, and that issue was a change in the tariff laws in the direction of lower duties. The Democratic party insisted that this was the true policy; that it would bring greater prosperity to the country, while the other party strenuously opposed this position. It ascribed the prosperity enjoyed by the country to protection and believed firmly in the doctrine which it has constantly upheld for many years. This, therefore, was a clear, distinct issue between the two, and it must be confessed that on this issue the people have decided in favor of a change.

If, then, a change is made, what will be the effect? Of course, it is possible, when the other party comes into power, that no very considerable change will be effected. Not to change, however, is to give the lie to all the professions of many years. It would seem, therefore, a change of some kind cannot be avoided. It may be that, having won, they will be less desirous of changing than formerly, but it is difficult to perceive how they can remain long in power without making some pretty radical changes in harmony with their long preaching.

If, then, a change must come, it is pretty clear what will be done. First of all, a reduction or repeal will be made of the duties on raw materials. This has been one of the cardinal doctrines of the Democratic party for many years. It is difficult to perceive how a change to this extent can be avoided. But even to make no greater change than this would result in some serious consequences. The farmers, for example, who raise wool, would bitterly oppose any change looking toward the reduction of the duties on their staple. Very likely the manufacturers would not be so strenuous in objecting, provided the duties were not lessened too much on the goods they manufactured, and even some manufacturers go so far as to assert that they would prefer no duties whatever on their goods, provided they could obtain free wool, used in their manufacture. This is especially the case with the carpet manu-

facturers. They certainly would care nothing about the duties on carpets if they could obtain free wool to be used in them. Again, some of the iron and steel manufacturers use great quantities of foreign ore, and the repeal of the duty of seventy-five cents a ton on the ore would be a great relief to them; and they would much prefer to compete with foreign manufacturers without any duty whatever on the manufactured product, provided they could obtain free raw materials. In the event, therefore, of such a change as this, we do not expect to see so much opposition from the manufacturers as from the farmers and other persons and interests who produce raw materials. Now when the party comes to face the known and determined opposition of so large a class of people, will they not shrink from carrying their measures so far? It is easy enough for anyone to fight a battle from a distance, but it requires a great deal of courage to march straight up to the enemy's guns and stand there. We greatly fear that many who have been so vociferous for tariff reform will greatly abate their cry when they enter the field and come face to face with the opposition. They will then perceive that a radical change in the tariff is a very serious thing, for it cannot be done without affecting many interests which, in turn, will be opposed and embittered by them.

Leaving this question of tariff legislation, we may consider for a moment what will be done with the banking interests of the country. It is well known that a very large class of persons who are more intimately associated with the Democratic party have been opposed to the National banking system from the beginning. Though the system has been decided constitutional on several occasions, like Goldsmith's Schoolmaster they are not convinced. And of late years this opposition has been growing. While the platform of the Democratic party in favor of a return to a State bank system by no means commended itself to all of the members of that party, yet it must be said that a very large number believed in it, and largely on constitutional grounds. The theory of a State banking system fits into their political theory; the two harmonize, and, therefore, they are more in sympathy with a revival of the old system. On the other hand, it is admitted that the old system was radically defective in many respects, and these defects were fully considered in the last number of the *MAGAZINE*. Still it is said, however defective the old system may have been, it is not impossible to improve on this experience and to invent a new one which will be free from all the flaws and imperfections which existed in the old one. So for this reason there will be a strong movement in favor of changing the present system, and it is possible that it may come into being. It is certain that, if it was changed, great results would be wrought in our monetary affairs. If a

cheap and easy system of paper money was invented, whereby the currency can be inflated, nothing is more certain than that the whole business of the country would be greatly agitated, and while possibly, under the glare of false prosperity, it might prosper for a while, in the end a terrible reaction would come, from which the whole country would suffer. This has always been the consequence of every great inflation of money in the past, and we have no reason to suppose that it is possible to have an inflation in the future without a similar result.

There are other laws which are sure to receive consideration. For example, the sum now paid for pensions is enormous, which, of course, goes to soldiers who fought to sustain the Union. There are those who favor the putting of Confederate soldiers on the rolls, or, at least, if this cannot be done, of thinning out very largely the roll of Union soldiers, and thus lessening, by many millions, the sum devoted to that purpose. This is heard from many quarters, and we have no doubt but that the whole pension system will be radically changed. These laws are not in the nature of a contract, pensions are purely gratuities, and the Government, therefore, is under no legal obligations to continue pensions for a single day if it should think worth while of repealing or lessening them. As pension laws are of this character, it is certain that radical changes will be made, and probably this will be one of the earliest pieces of legislation. The sentiments of the President-elect on this subject are well understood, and doubtless they are in accord with those of the great majority of his party.

The election laws, also, which have been the subject of opposition ever since their enactment on the part of the Democratic party, will doubtless be speedily repealed. It seems quite clear, therefore, that within a few months, at least, some great changes must be made that will have a very considerable effect in the end on the business of the country. We do not see how these changes can be avoided. It is true that already we are beginning to see some bad signs resulting from the election. Many who were intending to engage in new enterprises, had the present system been continued, have announced their determination to abandon their plans, and we are likely to hear more of these things in the future. The Democratic press in many cases has already begun to retreat and to assure the country that no radical changes will be made, injurious to the business interests of the country. But the truth is, business is very sensitive, and even slight changes in legislation must, in the end, work out serious changes. The one thing can hardly be done without affecting the other, and the certainty of this is already having a depressing effect on those who, otherwise, would have taken new risks and engaged with a new heart in manufacturing and other interests. Perhaps

the extra session may not be called, but the certainty that some changes are inevitable is having a depressing effect, and which will be more and more apparent as the months pass.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL SITUATION STILL IMPROVING.

Business for the last month of Autumn, and the last month of a Presidential campaign also, has been very satisfactory, though somewhat less than the volume for October, especially during the forepart of November, when the excitement of election absorbed all other interests for a few days, both before and after the event, since when, the improvement noted a month ago has continued in nearly all branches of legitimate trade and industry, while in some there has been a further gain in activity and an enhancement in values. As noted in last issue, there has been little of the usual unsettling influences of National politics on commerce or manufacture this year, notwithstanding the issues of the last campaign were more largely economic than ever before. This satisfactory state of trade, in the face of a proposed and probable change in tariff laws, affecting values of nearly all manufactured articles and of many of the products of the soil, is evidence that the great mass of business men, of both political faiths, are confident that their interests are safe in the hands of either of the great political parties, and that no ill-considered changes will be made in either our tariff or currency laws that will cripple any important industry. This confidence existed before election, and has not been shaken since; for no party could afford to adopt a policy so suicidal as to undermine any great business interest, although they may find it necessary to reduce the burdens of taxation on other industries of still greater importance to the whole people; and, to equalize not only those burdens, but also the shares of the country's prosperity to be divided among all interests, without favor or injustice.

THE ELECTION NOT AFFECTING BUSINESS.

No legitimate industry need fear to be placed on this common level of the natural laws of trade; and any interest that cannot stand on such an equal footing with its neighbors deserves, like the individual, unable to compete on equal terms, to give way to his more skillful rival. Any industry that cannot stand such a revision of the tariff and live, is clearly not legitimate, and is not worth supporting. The survival of the fittest, upon the basis of natural law of trade—supply and demand—is as true of commerce as of men, so far as the relations of our domestic industries to each other are concerned, although their relations to foreign industries should be so guarded as to secure our home products just enough advantage to give our producers, both of

raw material and manufactured goods, the preference over foreign products in our home markets. Anything in excess of this is inequality and subsidy collected from many interests for the benefit of one, or of a class, which is special legislation opposed to the general prosperity and welfare.

This is the corner-stone upon which our tariff and currency legislation may be revised and reformed without ruin to any interest that is adapted to our soil, climate, population and natural resources; and it is the belief, in both financial and commercial circles, that it is upon this foundation the proposed new national economic fabric will be built, that has prevented the usual stagnation in, and unsettling of business, that has heretofore followed such a radical and complete change in the control of the Government as was effected at the late election. Hence, the improvement noted in general business last month has not only not been lost, but augmented, in spite of the excitement over the result of the election, and notwithstanding the fact that the rush of Fall Trade was over in the previous month. This increased activity and improvement in values has been quite marked in manufactured goods, led by the great Cotton Goods industry, in all its branches, the shoe trade, the iron trades, especially in the structural department, woolen manufactures (though to a less extent than cotton), and in general trade, both East and West, wholesale and retail; and, even at the South, where the sharp advance in cotton, on reduced crop estimates, due to unfavorable weather, has relieved the late depression.

STRONG AND ACTIVE MONEY MARKETS

throughout the country during the month, and especially toward the close, are the unerring indices of this general improvement in trade, with the center of the activity at Chicago, for the great West, where the enormous movement of the crops, noted in our last, has continued with but slight, partial, and temporary diminution in volume since the grain blockade of a month ago was relieved at that and other points of accumulation on the Lakes and at the seaboard. The banks of the whole country have had ample employment for all their funds, and at uniformly good and hardening rates, showing no lack of confidence in the future of business in any section, agricultural, commercial, industrial or financial. Those, therefore, who have been inclined to indulge in doubts of a continuance of the improved conditions of the past four months (barring the cholera month of August) are likely to be left alone, if carried on by the resistless current of the great business revival that has apparently set in on this side of the Atlantic as a result of the two years' bountiful crops and good export demand and prices for our great staple agricultural products, barring cotton. As a result, we have exported no gold during the month until the close, when a renewal of the demand set in from

Europe, in response to a steady drain on the Bank of England from Germany and Austria for some time past, to which Russia has added her wants the past month. Yet all these sources of demand are regarded as pretty well filled up for the present, and the feeling in London is reflected here, that there will not be sufficient further call to cause any further important advance in the discount rate. The demand from the interior has been heavy and continuous for currency; but the height of the crop movement is believed to have been reached, as the bulk of the surplus winter wheat is out of the farmers' hands, and the spring wheat crop is also well marketed for the season, although the new corn crop is only beginning to come to market, and the marketing of hogs is later than usual, as the mild weather and higher prices of hogs than of corn, has encouraged feeding as much and as long as profitable. The smaller crops and the cotton crop are rather later than usual, and in cases the movement is smaller, as the crops are smaller than of late years. This is true of cotton not only, but of potatoes, fruit and hay, in many sections. The outflow and return of currency, however, has been very nearly equal most of the month, with some indications of an increase in the return movement at the close, due to the letting up in the grain movement and the congested condition of elevators, though not so bad as at the opening of the month.

The return movement of currency from the interior, and especially from the West, was indicated before the close of the month by the increase in the Banks' Reserves, and in the declining rates for both call and time loans, money becoming more abundant in this center, notwithstanding the little flurry over renewed exports of gold on a small scale, at this very unusual season of the year, owing to the extreme scarcity of commercial bills, and the active demand for sterling exchange from the dry goods trade. At the close there are rather more grain bills on the market, owing to the renewed decline in cereals, though provision and cotton exports are checked by the extreme advance in the prices of those commodities, owing to the speculation in them.

THE PRICE OF SILVER AND THE CONFERENCE.

The Star Comic Opera of the season, in finance, is now being played at Brussels by the International Stock Company, consisting of the delegates to the so-called Bimetallic Money Conference of Europe and this country, in which the United States delegates are playing the leading and very heavy rôle. At first they were compelled to show their hand, before the other actors in the farce would do anything but smile condescendingly upon them, and assure them they had nothing to say, but would kindly listen to our proposals and communicate with their Governments. This was a cold bath for our delegates who had gone to the Conference with such high expectations; and, as a result, their confidence

gave place to meekness and fear, and their "demands" were modified to the minimum of what their instructions required, and put forward with trembling, and in the form of the most modest "proposals." Therefore, Alfred de Rothschild, representing Great Britain, or a "syndicate," or himself, or all the gold fanatics, coolly proposed on his own "responsibility" that a European syndicate of Governments should agree to buy \$30,000,000 of silver bullion per year so long as the price per ounce remains under 43d. in London, or 94½ cents here, upon condition our Government agrees to purchase \$54,000,000 of silver bullion per annum. In other words, European nations would solemnly bind themselves to take *less* silver annually than they have been doing in the ordinary course of business, through private sources, if the United States will bind itself to keep on buying silver at the present rate for a sufficient number of years to drive gold out of our circulating medium, and make the United States a silver nation. This, the European delegates to the "Bimetallic" Conference, have the assurance to call a "proposal," and to assure our delegates that they will agree to it. Had an insult to the United States representatives been intended, it could not have been more studied; and our delegates should have withdrawn from the "Conference" and cabled their Government for instructions to come home. That there will be any more favorable outcome of the meeting for this country can scarcely be hoped, from the preponderance of monometalists on the committee appointed to "consider" the Rothschild "proposals," "as well as" the plans of Professor Soetbeer and of Mr. Levi, the chairman of the Conference, who appointed the committee and is doubtless himself a monometalist like his countryman Mr. Rothschild, under the guise of a mediator between the two parties in the Conference, who have been put forward by the monometalists to capture the Conference and make the position of the United States simply ridiculous. For, there is apparently as much chance of Soetbeer's *bona fide* bimetallic scheme being adopted as there was of the United States' proposals, and no more. Indeed, France appears to be the only influential nation in the Conference that has met the invitation of this country to participate, which has acted in good faith in accepting it, and whose delegates came with authority to take any definite action tending toward international bimetalism. Yet, for "moral effect," or for "bluff," or speculation, the price of silver in London has been advanced, "on the prospects of the adoption of Rothschild's proposals by the Conference." If, however, the United States delegates permit themselves to be made a party to any such farce, they, as well as our Government, will deserve the contempt of all Europe, by which we will be outwitted and insulted without appearing to know it, and the result of the Conference a loss of national prestige and of diplomatic reputation.

INTERNATIONAL BI-METALISM.

Why the lately hopeful prospects of the English Government's favorable action at this Conference have been so woefully deceptive can scarcely be conceived, except it has been acting in bad faith from the start, or, its policy changed by the incoming Liberal Government; in which latter case, the friends of Mr. Gladstone, on this side of the Atlantic, will have another occasion to apologize for his unfriendliness to the United States, and his English admirers be compelled to admit that this great National financier is more reactionary than his Tory predecessor.

THE RAILROAD SITUATION.

Increased gross and reduced net earnings, is the disappointing story told of the late enormous traffic of our great railway systems, by their last monthly statements just published. Of these, Reading, with between one-quarter and one-half a million dollars less expended on betterments for the past eleven months than for the same period last year, and still, but little increase, comparatively, in its gross earnings this year over last for October, in face of nearly \$1.00 per ton advance in the retail prices of coal; of these, I say, the Reading is the most disappointing; and, reflects the condition of the coal trade and of the coal roads. Next comes the St. Paul's statement for October, showing a heavy increase in the "Improvement Account," though dividends have been suspended for the express purpose of making these improvements, until they were supposed to have been completed. This "Improvement Account" in railway accounting is becoming about as important an item, if not as elastic, as the old "Construction Account" used to be; and Wall Street asserts that it covers heavy rebates paid to shippers in the waging of the recent rate war that is believed to be the chief cause of the continued decrease in the proportion of net to gross earnings, with the largest traffic the roads have ever handled. To remedy this state of affairs, the Trunk Line presidents lately met in this city, and decided to revise practically their old pooling arrangement, which was discontinued on the passage of the Interstate Commerce Law, which prohibited pooling as well as the payment of rebates to shippers, both of which are now practiced, it seems, although those clauses of the law have never been repealed. This recent action of the Trunk Lines was taken since the late decision of Judge Brewer, which, unfortunately, appears in direct conflict with the Interstate Law, and is so construed by the Interstate Commission itself, which has since reaffirmed its belief in the opposite view.

While the Interstate Law was never obeyed in good faith by railways generally, nor its provisions very vigorously enforced, this conflict of authority between the United States Courts and the United States Commissioners can but be demoralizing, and lead

to a still more general disregard of the Interstate Law, which certainly ought to be obeyed, or repealed, or modified, to bring the decisions of the judges and the commissioners into conformity, and the railroads of the country into obedience of a law framed equally to protect the rights of the public and the stockholders in these great national highways of commerce and transportation. As to the influence of these conditions on present values of railway shares and securities, it has been of less effect than the manipulations of the Bull and Bear cliques and pools in the stock market, where they have been used with greatest advantage to the Bears the past month, as the market is strictly a professional one, the public not being in it.

THE "INDUSTRIAL" COB HOUSE TUMBLING.

The readers of this MAGAZINE cannot say they have not been warned in time of the inevitable tumbling down of the Cob House built out of the "Industrial" stocks, listed on the Stock Exchange the past two years. The "Industrial," is by courtesy only, however, for the Trust stocks, watered anywhere from three to a half a dozen times their legitimate value, and hence gambling shares pure and simple, on which legitimate dividends could not be earned without robbery of the consuming public, which could not and would not stand it for any length of time. These facts have been pointed out time and again in this article, and also the inevitable consequence of State or National legislation, or both, that would sweep these monopolies in the necessities of life, out of existence, or reduce them to legitimate industry again open to competition and subject to the natural laws of supply and demand. That time has now overtaken these illegitimate Trusts, and the cob houses and fortunes, built out of their stocks, have begun to tumble, as seen on the Stock Exchange the past month, or since the result of the election has been interpreted in Wall Street, as well as through the country, as the death-knell of Trusts. Insiders and outsiders have, since that day, competed with each other in their efforts to unload the stocks of these so-called Industrials, whenever the market would take them; while conservative banks and bankers have discriminated against them, or wholly refused them as collateral for loans.

This is the only class of securities, or of property that has been affected by the elections, as stated in the beginning of this article; namely, that no legitimate industry had been injured. It is true, that a drive was made by the Bears on the Stock Exchange, against railway shares as well as "Industrials," after the result of the election was first known. But it was only an excuse to break the market, and, railway shares have since then resisted the Bear attacks, because investors have not been selling them while they have the "Industrials," for the very good reason described above.

THE PRODUCE MARKETS.

We have had a further boom in provisions, as the result of continued manipulation of the market for hog products in Chicago, by the clique that has controlled these products for four months past. They have been able to force prices still higher the past month, because of the light receipts of hogs at the West, caused by the cheaper prices of corn than hogs and the mild autumn which has been most favorable to feeding. Hence, farmers held back their hogs and fed their corn instead of selling it, to ship larger and fatter hogs later on, when prospects are for lower prices of provisions, which have been forced unnaturally high by reason of the speculation and the light stocks carried over from last year.

Cotton has also had a boom; and a genuine, not a manipulated one; as the short crop estimates have been reduced several times the past month, on account of the unfavorable weather the past season ending in an early killing frost. These estimates have been reduced from about 8,000,000 bales early in the season to less than 7,000,000 recently, against 9,000,000 bales last year. These first started in the trade due to buying, then Wall Street came in, then the South, and, finally Liverpool and Manchester, which had held off, on the depressed condition of the industry in Europe and in India, and on the labor troubles in Manchester, until this market had gotten away from them. But, the end of the labor difficulties, a decidedly short crop and nearly 3 cents per pound higher prices, finally brought them in, and one of the rankest old-fashioned booms seen in years has carried the price to over 10 cents per pound, or back to old-time prices, which, if maintained, will lift the Southern States out of the slough of despond, in which they have been sinking for the last three years, apparently never to get out again. The prices are, no doubt, dangerously high so early in the season. But the boom is still on and they may go higher before a reaction, yet prices of cotton for this crop are not going anywhere near last year's basis, notwithstanding wheat has lost its boom of a year ago and is back to the ante-European short crop prices of three years ago, with the whole breadstuffs list following it on enormous receipts and small export demand. Thus in both staples of export, cotton and grain, we have another proof that maximum crops are by no means the most profitable to producers.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The Silver Question—Another Plan.—If the Brussels conference fails to accomplish anything for improving the value of silver, what shall be done? It is evident that the present policy in the United States is very generally opposed. It is equally evident that there is not gold enough for the uses demanded of it. The sensitiveness of the markets to changes in the demand and supply, alterations in the rates of interest, etc., are conclusive proof of this. It would seem, therefore, that the thing to do is to find some practicable plan of continuing the use of silver at a gold valuation. If this can be done, then the metallic basis of the currency will be sounder, values will be more steady, and a great industry will be preserved. The following plan is suggested: Authorize any persons to form National banks and to deposit silver with the Government instead of bonds, and to issue currency against it to its full value, and to require them to keep in addition a margin of twenty per cent. in National bonds or perhaps other first-class designated securities. If the silver declined in value, require the banks to deposit more silver or bonds, or be compelled by the Government to withdraw a portion of their notes until the twenty per cent. margin of safety was reached. By such a plan the silver producers could form banks for using their silver as a basis for their issues. Another plan is suggested. Authorize existing banks to take silver as a collateral security and to issue notes against its value with a margin, as above stated. The silver producers need not form banks, but go to other banks and get this done for them and pay them a percentage for furnishing the required margin needed to protect the circulation.

American Bankers' Association.—The feeling seems to be growing that if the association is to be continued, it should greatly change its methods and plans of work. Hitherto persons have been selected to interest and entertain the bankers who were of considerable note and importance, without much reference to their themes; or other selections have been made through favoritism or other motive. Many of the papers and addresses thus delivered have been only in a very remote way connected with the subjects of banking, and the opinion has become very general that the association is not accomplishing much of anything. The inviting of so many outsiders to address bankers chiefly because they are men of eminence is a rather objectionable proceeding, first of all, because it is a reflection on the capacity of the bankers themselves. While it is true that bankers often make no pretense to

literary grace, they are men of ideas, and can do far more to instruct one another than most of those individuals can who are invited from the outside. It is therefore, we repeat, a reflection on the ability of those engaged in the banking business to have so much entertainment furnished by outsiders, who, after all, have a much less perfect knowledge of the matters pertaining to the association than the members themselves. Changes, therefore, should be made in both directions. If the association is to exist, the best banking thought and ability should direct it, and furnish the ideas in the form of papers and addresses at the annual meetings; and in the next place there should be an end of inviting persons to speak simply because it might please them or in some way work a personal advantage to those inviting, without much reference or thought to what such persons might say to the members who attend. We have advocated from time to time a more radical departure in the work of the association pertaining especially to the improvement of our system of commercial law. The subject of State taxation might also furnish, very properly, a theme for exhaustive papers, discussion, negotiation, and ultimate legislation. At present, all kinds of systems prevail in the different States, and it would seem as though an effort ought to be made to devise the best system, and then seek to put it in practice as generally as possible. Surely, there is enough for such an association to do if it will only set about it; but in holding a meeting once a year, and then for only two or three days, there is little time for accomplishing anything, and thus conducted, in the opinions of many, it seems to be quite a useless association. It need not be, however, if the association will really take hold of some great question or questions and work them up in a thorough manner.

State Taxation.—A very interesting paper was read at the last convention of the State Bankers' Association of Michigan, describing the systems of taxation in the various States. This paper appears elsewhere in the present number. It discloses a medley of so-called bank systems pertaining to banks. It would seem as though about the only idea in the minds of the legislators was by some hook or crook to get something out of the banks in the way of taxes, without much reference to the right or just method of obtaining it. The bringing together of these laws is a graphic presentation of their crudity, and of the need of improving them. Surely, this is the best kind of work for a State association, and as the outcome of this effort we expect to see conferences of bankers representing the various State associations engaged in preparing some mutual plan of State taxation. This ought to be so for another reason, namely, that the banks ought to be put

as nearly on the same footing as possible with respect to the burden of taxes which they must pay to the State.

State Banking.—Those who think State bank note circulation is the ideal currency for the country might read with profit the following paragraph from the annual message of the Governor of Indiana, for the year 1853: "The speculator comes to Indianapolis with a bundle of bank notes in one hand, and the stock in the other. In twenty-four hours he is on his way to some distant point of the Union with what he denominates legal currency, authorized by the Legislature of Indiana. He has nominally located his bank in some remote part of the State, difficult of access, where he knows no banking facilities are required, and intends that his notes shall go into the hands of persons who will have no means of demanding their redemption." The result of the State bank policy of circulation was two or three dozen different systems of currency with no established basis of values, and with the result that business was flooded with bills that might be worth their face value or less than that of white paper. Counterfeiting flourished in those days before the civil war, for no workman had any means of knowing whether the bills, palmed off on him for wages and supplies, were good or bad, so that the result was he was made the victim of the blacklegs and money exchanges, whenever worthless currency was left in the hands of the latter.

Abolition of Days of Grace.—The Vermont Legislature has passed a bill of great importance to bankers and other business men, entitled, "An Act Relating to the Maturity of Contracts." It abolishes the old custom of allowing three days grace on promissory notes, drafts and bills of exchange. This action was recommended by the American Bankers' Association at its meeting in September, and Vermont is the first State to adopt it. The act will not apply to negotiable papers made before the first day of January, 1893. It would have been wiser to defer it until 1894, so that the other State Legislatures might have time to pass similar laws, and make the new system uniform simultaneously throughout the Union.

Decline in the Profits of Cotton Manufacturing.—In an interesting address delivered before the Manchester Statistical Society by its president, Mr. Fogg, he said that while America, in four years with protection, had increased the number of her spindles only about 8 per cent., India had, with free trade, increased the number of her spindles 23 per cent. He could not see why the operatives should demand a working day of eight hours. "England,"

he said, "now takes only one-third of the cotton grown instead of one-half, as she did twenty years ago; and the dividends paid in Oldham—a fair sample of trade—have averaged under 3½ per cent. in the last sixteen years. That profit, with the certainty of a large loss on the principal, is hardly likely to induce investments in the cotton industry, when the eight-hour day is added to the other difficulties pressing on the trade."

Is Speculation Declining?—The New York Daily *Commercial Bulletin* had an interesting article on this topic not long since, in which the history of speculation was briefly given, the decline therein noted, and the causes therefor. It was remarked that speculation received its first great stimulus from the war, the varying success of which, with the rapidly fluctuating prices of gold, causing rapid changes in the market value of all investments in products. This period of speculation, however, had a very severe shock in the panic of 1873. In that collapse many of the great fortunes hastily made from speculation disappeared, and during the next five years the country sought to recover from the effect of this panic. In 1879 the resumption of specie payments, a great conservative act, proved to be the introduction of six years of speculative activity. This revival was due partly to the general recovery of confidence in American enterprises, both at home and in Europe, also to the great expansion of railroad building and other industrial enterprises. Of late years there has been a great complaint of the decline of the speculative spirit, and the following facts are given to illustrate the truth of this decline. Those engaged in speculation are very different persons from those who engaged in it a few years ago. The outside public especially have been disappearing from Wall Street, and speculations are conducted more and more by professional traders and capitalists connected with the corporations whose securities are bought and sold. This change has caused a much larger portion of the business to center in the hands of a few wealthy commission houses, while a large portion of the exchanges do a much smaller business and get little beyond second-hand orders, yielding but two dollars per one hundred shares. It is among this class that the complaint most frequently arises about unsatisfactory business rather than any lessening in the volume of transactions.

The Future of Gold Production.—In the new edition of his work, "*Die Zukunft des Silbers*" (The Future of Silver), Eduard Suess, of Vienna, one of the foremost geologists of the world, reaffirms the conclusion to which he arrived in former editions, namely, that "the gold of the future does not allow us to believe in the future of gold," that is, the learned professor foresees a

falling off in the production of gold which will lead to such a condition of things that the production of the yellow metal will not keep pace with consumption, and that the world will have to reject, as a standard of value, a metal the supply of which is insufficient. The discovery of extensive gold fields in South Africa has not changed Professor Suess' opinions. He anticipates the rehabilitation of silver, believing that it will be taken as the standard of value, being the only metal fitted to discharge the office of a measure of values. Although, with the growing scarcity of gold, due to various causes, and including its greatly augmented use in the arts, the disproportion between gold and silver increases yearly, this result is due largely to the disappearance of gold from the world's stock of coinage. Last week we gave a condensed statement of Professor Suess' estimate regarding the amount of gold used in the arts, showing that, in all probability, gold is going into the arts every year in excess of its production, which irresistibly leads to the conclusion that gold coins are being melted down in large numbers—a most remarkable view of the matter, and one full of interest as bearing on the currency question. The *Financial News*, of London, we note, takes the same view as Professor Suess as to the growing scarcity of gold, saying: "What is the use of trying to persuade men of business that gold is very plentiful just now, when, as a matter of fact, it probably, during the whole of this century, was never dearer than at present?"

Gold Production for 1891.—The world's production of gold during 1891 was the largest on record. In round numbers, the production for the last five years was as follows: 1887, 5,097,600 oz.; 1888, 5,251,000 oz.; 1889, 5,641,000 oz.; 1890, 5,586,000 oz.; and 1891, 6,033,000 oz. For the first time for many years there was a slight set-back in 1890. A noticeable feature of recent years has been the development of the Witwatersrand Goldfields. The production of these fields has been as follows: 1887, 34,897 oz.; 1888, 230,917 oz.; 1889, 379,733 oz.; 1890, 494,801 oz.; 1891, 729,213 oz. Adding in 1891 the output of other Transvaal gold fields, which amounted to about 107,000 oz., the total production of the Transvaal for 1891 reaches 836,250 oz. For the current year it is expected that the production will quite reach 1,250,000 oz. In 1888 the Transvaal only produced $4\frac{1}{2}$ per cent. of the world's yield, but in 1891 the proportion had risen to 13.8 per cent., and this year it is tolerably certain to reach 21 per cent. The following was the production in 1890 for the countries named: United States, about 1,586,500 oz.; Australia, 1,469,200 oz.; and Russia, 1,019,000 oz. As the return for these countries has not altered to any large extent, the Transvaal will probably take the third place

for the current year, and very likely the second place in 1893. Mining in the Transvaal has not yet reached its culminating point, as new mines are being constantly opened, and old ones still further developed.

BANK COLLECTIONS.*

[CONTINUED.]

These cases, therefore, run counter to most of the authorities on that subject. Nor are we wholly satisfied with the reasoning. No distinction was drawn between an ordinary indorsement, and one for collection. And yet there is an obvious reason for one. An indorser for value is presumed to have inquired into the title to the check or other instrument he purchases; surely he will not part with his money before doing this. But an agent for collection has no interest in the instrument except collecting it. He is not the owner, but represents him. The owner ought to be held if the instrument proves to be worthless, but there is no sound reason for holding his agent.

Again, the drawee can recover when the instrument is indorsed in blank (*National Bank v. Bangs*, 106 Mass. 444), or is unnecessarily indorsed and thereby is lulled into greater security of its genuineness. On one occasion a forged check was presented to a bank, which was made payable to a payee named therein, or bearer. It was cashed by a bank to which it was presented by an unknown person who was not identified on his indorsement, and was then sent to the drawee bank for payment. It credited the other bank with the amount, but after the discovery of the forgery sued to recover the amount thus paid. In rendering judgment against the defendant the court said: "The indorsement, which was not necessary to the transfer of the check, was a guarantee to the signature of the drawer, and the plaintiff had a right to believe that the indorser was known to the defendant by proper inquiry." (*First Nat. Bank v. First Nat. Bank*, 151 Mass. 280, 284.)

So, too, an instrument for collection which is indorsed in blank by the owner, thereby rendering its diversion easier, is deemed negligence on his part, and if it be wrongfully transferred the transferee acquires a good title and can collect and retain the proceeds. Thus, in *Coors v. German Nat. Bank* (14 Colo. 202), A. indorsed a draft in blank to B. for collection, who, wrongfully assuming to be the owner, sold it to C., who had no knowledge of B.'s lack of title. It was held that C. had acquired a good title and could retain the proceeds. Nor was the fact that in B.'s letter, sending the draft to C., it was described as A.'s acceptance, an indication of A.'s ownership. It was merely a description of the paper.

* Copyrighted by HOMANS PUBLISHING COMPANY.

The court said Coors by a word could have limited his indorsement so as to protect himself and others; that he failed to do so was not the fault of the appellee, but his own, and he must suffer the loss.

When the drawee has paid a raised check the excess can be recovered. (*Marine Nat. Bank v. National City Bank*, 59 N. Y. 67, 77.) Thus, a bank in New Orleans drew a bill at sight on the Bank of Commerce of New York for \$105, payable to "J. Durand." After issuing the bill the amount was fraudulently altered to \$1,005, payable to "J. Bonnet," and indorsed with that name. The Bank of Commerce paid the bill at sight to the Union Bank, which received it for collection from a bank in Charleston. The Bank of Commerce recovered the amount, the jury having found that it was not negligent in not discovering the forgery before paying the bill. (*Bank v. Union Bank*, 3 N. Y. 230.)* But if either party has been negligent, whereby the other has been injured, the injury must be borne by the negligent party. (*Bank v. Union Bank*, 3 N. Y. 230; *National Bank v. National Mechanics' Bank's Ass'n*, 55 N. Y. 211; *National Park Bank v. Ninth Nat. Bank*, 46 N. Y. 77; *Espy v. Bank*, 18 Wall. 614; *Redington v. Wood*, 45 Cal. 406; *Third Nat. Bank v. Allen*, 59 Mo. 1; *Parker v. Rover*, 67 Ind. 500; *First Nat. Bank v. State Bank*, 22 Neb. 767; *Marine Nat. Bank v. National City Bank*, 59 N. Y. 67.) And if the check has been raised and afterward certified the excess can be recovered if the drawee has not been negligent. (*Clews v. Bank*, 89 N. Y. 421; *Banks and their Depositors*, § 225.) And likewise the excess, if the alteration was done afterwards. (*National Bank v. National Mechanics' Bank's Ass'n*, 55 N. Y. 211; *Banks and their Depositors*, § 226.)

But if the drawee can recover the excess, why should he be held liable to the drawer for paying the excess whenever there has been no negligence? (See § 9.) In many cases checks are so carefully altered that it is exceedingly difficult to detect the alteration. Now the bank can recover from the receiver of the money on the ground that it was not negligent in paying it; and it cannot charge the amount to the drawer on the ground that it was negligent in paying it. Would not a more reasonable rule absolve a bank from liability in such cases, giving the drawer a right of action against the receiver for the excess, or the bank such a right for the receiver's benefit?

A draft was drawn by the National Bank of Commerce on its New York correspondent, which was raised by the payee, and deposited with the Manufacturers and Traders' Bank, which gave him credit for the full amount. This bank then forwarded the

* This case is imperfectly reported; see criticism in *National Park Bank v. Seaboard Bank*, 44 Hun. 53.

draft to the New York correspondent of the National Bank of Commerce, which paid the full amount of the draft, and charged the amount to that bank. Subsequently, the Manufacturers & Traders' Bank, ascertaining that the draft had been raised, directed the National Bank of Commerce to procure the draft from its New York correspondent, make an affidavit to the correct amount, and promised to remit the difference. The National Bank having accepted this proposition, the Manufacturers & Traders' Bank became liable for the amount of the raised draft, less, of course, the amount for which it was originally drawn. This bank, however, afterward declined to execute the proposition, and then the National Bank of Commerce directed the Manufacturers & Traders' Bank to return the draft and affidavit, and notified its correspondent that it would not recognize the payment of the draft for more than the original amount. It was decided that by such conduct the National Bank of Commerce had rescinded its contract with the Manufacturers & Traders' Bank, under which it had become liable for the difference between the original amount and raised amount of the draft. Nor could the National Bank of Commerce recover the difference between the two amounts in an action for money had and received, because the Manufacturers & Traders' Bank had not obtained the money of the National Bank of Commerce, but that of its New York correspondent. (*National Bank v. Manufacturers & Traders' Bank*, 122 N. Y. 367.)

Let us next consider when the money paid cannot be recovered. When there has been a failure to discover the forged signatures of the makers of the instruments presented and the holders did not indorse them.

One of the cases that may be mentioned is that of the *Commercial & Farmers' Nat. Bank v. First Nat. Bank* (30 Md. 11). A person presented himself at the first mentioned bank and deposited a check purporting to have been drawn by A. on the other bank for \$4,600, and payable to the presenter's order. It was entered to his credit, but the teller was directed by the cashier not to pay any check that might be drawn by the depositor until the deposited check had been paid. Having been passed through the Clearing House in the regular manner, and paid, the depositor's check was afterwards honored. Two days after paying his check the forgery was discovered by the action of A. in overdrawing his account, which was reduced by charging the forged check to it. The First National Bank gave notice of the forgery to the other and demanded the amount, but the other denied its liability save for the small balance still remaining. The court declared that the law imposed on the First National Bank the duty of knowing A.'s signature, and it could not, therefore, recover the \$4,500 paid by the other bank to A. "For," said the court, "there

is nothing unconscientious in the defendants retaining the money, and no reason why the loss as between parties thus equally innocent and equally deceived, but where one is bound to know and act upon his knowledge and the other has no means of knowledge, should be thrown upon the latter in exoneration of the former. The safest rule for the commercial public, as well as that most consistent with justice, is to allow the loss to remain where by course of business it has been placed."

Another case may be noticed. (*Bank v. Farmers & Merchants' Bank*, 10 Vt. 141.) In this case a check on the Bank of St. Albans, in favor of W. or bearer, was purchased by another bank from the alleged payee, an entire stranger, but indorsed in the name of W., and it was paid on presentment by the drawee bank. It was subsequently discovered that the name of the maker, who was the president and a customer of the bank, was a forgery. The bank failed in a suit to recover back the money.

In *Deposit Bank v. Fayette Nat. Bank*, 13 S. W. Rep. 339, Ky., the checks of one of its principal depositors were forged and paid for several months before the forgery was discovered. They had been cashed by other banks in good faith after inquiry of the drawee bank concerning the depositor's account. The drawee bank was compelled to bear the loss, and could not recover from the banks which had received the money.

For other signature cases of a similar character, see *Bernheimer v. Marshall & Co.*, 2 Minn. 78.

Two banks had an arrangement for collecting checks and remitting the balances. One of them collected a check on the First National Bank of Owego, and for which it accounted. Several weeks afterwards it was proved that the payee's name had been forged, and the collecting bank refunded the amount to the Owego bank. In the next settlement with the other collecting bank it deducted the amount thus refunded. It was decided that this could not be done. (*Hall v. Tioga Nat. Bank*, 21 N. Y. Dig. 416.)

Again, when the money has been paid to an agent and he has paid it over to his principal before notice of the mistake it cannot be recalled. (*National City Bank v. Westcott*, 118 N. Y. 468; *La Farge v. Knelland*, 7 Cow. 460; *Mowatt v. McLealn*, 1 Wend. 173; *Herrick v. Gallagher*, 60 Barb. 566; *National Park Bank v. Seaboard Bank*, 114 N. Y. 28; *United States Nat. Bank v. National Park Bank*, 13 N. Y. Supp. 411.) Thus, a draft which was drawn on the National Park Bank, which had been fraudulently altered, was received by the E. bank for collection, and was indorsed and sent by it to the Seaboard Bank for collection for its account. The amount was credited to the E. bank, and was subsequently paid by the National Park Bank to the Seaboard Bank, and before the discovery of the fraud the amount was paid by this bank to the sender. It was

declared that the Seaboard Bank was not liable to the National Park Bank for the amount. (*National Park Bank v. Seaboard Bank*, 114 N. Y. 28.) But this rule does not prevail in Missouri (*Koontz v. Central Nat. Bank*, 51 Mo. 275.) In that State the agent's responsibility continues, notwithstanding the payment of the money to his principal. But the court was wrong in supposing that the case of *Canal Bank v. Bank of Albany* (1 Hill 287) sustained their rule, for the defendant was the owner of the check in controversy.*

But the money must have actually been paid to the principal, and not a credit given merely for the amount. (*United States Nat. Bank v. National Park Bank*, 13 N. Y. Supp. 411, affd. 129 N. Y. 647.)

Finally, when a bill has been forged before circulating, for example, by forging the name of the payee by the drawer, the instrument is regarded as payable to bearer; and if the amount should be collected by a bank of the drawee and paid to the holder, the drawee could not compel the bank to refund on the discovery of the forgery. Thus a bill was drawn by a partnership on A., payable to the order of B., a fictitious person, and B.'s indorsement was forged by one of the partners, and the bill was presented to a bank and discounted in the regular course of business, and afterwards was transmitted to another bank for collection. The bill was accepted and paid by the drawee, but he failed to recover the money thus paid on discovery of the forgery of B.'s indorsement. By thus indorsing B.'s name, the partnership plainly affirmed that the indorsement was genuine, and the bill, therefore, could be negotiated by delivery.

By this representation the bank was induced to discount the bill, and if it had brought an action thereon against the drawers, they would have been estopped from controverting the genuineness of the indorsement. (*Meacher v. Fort*, 3 Hill S. C. 227.) Again, a bill payable to a fictitious person is regarded as payable to bearer, and therefore he could be regarded as a nonentity. "The bank had a good title to the bill as against the drawers and the payee, and that was a good title against the world." As the first bank, therefore, had a good title, so had the second, and therefore the drawee could not recover from it. (*Coggill v. American Exchange Bank*, 1 N. Y. 113.)

This rule denying a recovery to the drawee from those to whom he may have paid paper by mistake does not apply in cases of payment before the paper is seen,† or in those in which the pay-

* Although this does not clearly appear from report, Bronson, J., declared in a later case that on further inquiry he had learned that the defendant bank was the owner. *Coggill v. American Exchange Bank*, 1 N. Y. 113.

† *Goddard v. Merchants' Bank*, 4 N. Y. 149. But this rule is repudiated in Minnesota, *Bernheimer v. Marshall & Co.*, 2 Minn. 78, 84, Atwater, J., saying

ment is subject to future examination. Said Mr. Justice Rapallo (*Allen v. Fourth Nat. Bank*, 59 N. Y. 12, 19), "In case of commercial paper being paid without previous inspection, it is, no doubt, the duty of the party paying to use due diligence in making the inspection as soon as he has the opportunity, and in giving notice of the forgery if one be discovered; and if by his failure to do so the party receiving is prejudiced, such negligence would be a good answer to the claim for restitution. The doctrine of *Price v. Neal* (3 Burr. 1354) is exceptional, and in strictness applies only where the paper is actually presented to the party, and accepted or paid on or after such presentation. Where the payment is made without presentation, and accepted subject to future examination of the paper, the case is not within the exception in *Price v. Neal*, and the ordinary rules respecting money paid by mistake and negligence, and its consequences should be applied."

When a bank receives a check for collection and credits the amount to the depositor, it can be charged back as soon as the discovery has been made, in the ordinary course of collection, that the check is a forgery. In *Rapp v. National Security Bank* (136 Pa. 426) a customer deposited a check for collection drawn on a bank in New York which was credited as cash. It was sent to another bank in New York for collection. It proved to be a raised check, and was charged back by the drawee bank to the other New York bank, by that bank to the defendant bank, which, in turn, charged the amount to the account of the depositor. He sought to recover, on the ground that he was misled by the crediting of the check as cash in his account. This was declared to be not negligence; indeed, the only negligence in the case was in taking the check especially against the advice of the cashier of the defendant bank. "The defendant bank assumed no duty, and was chargeable with no duty, except that of forwarding the check for collection in the usual manner."

When a bank has collected checks on a forged indorsement, it has been declared that the money must be refunded to the true owner. Thus, W. was the owner and payee of some checks. His

that "if the drawer is allowed to recover on payment of a forged draft because he has not seen it, he would probably never care to see a draft before payment, but even when presented at his counter, and he present, would direct his clerk to pay it, and afterwards take advantage of his own *laches* to enforce a recovery. To admit this would be to overthrow the long settled principles of law, and require the holder, instead of the drawee, to guarantee the signature of the drawer, which manifestly would be most unjust and inequitable, and destructive of commercial business. The rule, as laid down by Justice Bailey in *Milnes v. Duncan*, 6 Barn. & Cr. 671, is undoubtedly correct, that 'if a party pay money under a mistake of the real facts, and no *laches* are imputable to him (in respect of his omitting to avail himself of the means of knowledge within his power), he may recover back such money.'"

name was forged, and the checks thus indorsed passed to A. for value, who deposited them for collection in his bank. The checks were collected, and the proceeds were credited to A. Both he and the collecting bank were declared to be liable for the amount. "Although the bank," said the court, "does not appear to have acted in any other capacity or under any other claim than a collecting agent for the railroad company, it is equally liable for its acts on behalf of a principal who could confer no such authority. Both defendants have contributed to the same injury, and are to render but a single satisfaction." (*White v. Mechanics' Nat. Bank*, 4 Daly 225, 228, citing *Thomas v. Rumsey*, 6 Johns. 26. The plaintiffs had their election either to sue in trover, as for conversion, or to recover the amount in an action for money had and received. *Talbot v. Bank*, 1 Hill 295.)

Of course, the collecting bank cannot keep the money; but we apprehend that it may be returned to the source whence it came. And when this is done, the sender of the instrument collected can sustain no action against the bank. (*Allen v. Fourth Nat. Bank*, 59 N. Y. 12.)

In like manner, if a drawee bank pays a check to a collecting bank and charges the amount to the drawer, and afterwards, discovering the original payee's indorsement thereon to be a forgery, charges the amount to the bank from which it was received and credits the drawer, the check has been neither paid nor accepted. Thus, a company drawing a check on the Savannah Bank & Trust Co. in favor of F. It was indorsed with F.'s name, and also "For collection for account of the Darien Bank," and sent to the drawee bank, which credited the amount to the sending bank and charged the drawee for the same. Afterward, the drawee bank was notified by F. not to pay the check, and that his indorsement was forged. The bank then charged the amount to the Darien Bank, and credited the account of the drawer, and returned the check to the sending bank. In an action by F. against the drawee, he failed to recover. (*Freeman v. Savannah Bank & Trust Co.*, 14 So. Rep. 579 Ga.; see *First Nat. Bank v. Whitman*, 94 U. S. 343.)

In *Laue v. Lippe* (25 N. Y. State Rep. 823), a check was given by Lippe to Laue drawn on the Germania Bank, and which was paid on the forged indorsement of the payee to the Importers & Traders' Bank, and the amount was charged to the drawer. On discovery of the forgery, the amount was charged back, and the rightful holder, Laue, sued the maker for it. He failed, the court declaring that he had no cause of action against him, but ought to have proceeded either against the Importers & Traders' Bank for conversion or against the Germania Bank for the amount of the check. (*Thompson v. Bank*, 82 N. Y. 6.)

[TO BE CONTINUED.]

ACCEPTANCE OF CHECK BY TELEGRAM.

CIRCUIT COURT OF APPEALS, EIGHTH CIRCUIT.

North Atchison Bank v. Garretson.

One T., having purchased certain cattle, offered his check for \$22,000 in payment. The seller refused to accept it or part with the cattle until assured that the check would be paid, and therefore telegraphed the drawee, asking if it would pay T.'s check for \$22,000. The drawee answered: "T. is good. Send on your paper." *Held*, that this constituted a contract to pay the check on presentation. 39 Fed. Rep. 163, and 47 Fed. Rep. 867, affirmed.

A bank which has agreed to accept a check for a certain sum cannot refuse payment because the check when presented concludes with the words "with exchange," no place of exchange being named, and the check being dated and payable in the same town; for such words are mere surplusage, and of no effect. 47 Fed. Rep. 867, affirmed.

In Error to the Circuit Court of the United States for the Western District of Missouri. Affirmed. Before Caldwell and Sanborn, Circuit Judges, and Shiras, District Judge.

SHIRAS, District Judge.—The plaintiffs below, G. A. Garretson & Co., a firm engaged in the banking business at Muscatine, Iowa, brought this action in the United States Circuit Court for the western district of Missouri, against the North Atchison Bank, a corporation located at Westboro, Mo., to recover the amount of a check drawn by one James Tate on the defendant bank for the sum of \$22,000. The case was submitted to the trial court upon an agreed statement of facts, and judgment was given in favor of the plaintiffs, the reasons therefor being very fully and ably stated in an opinion reported in 47 Fed. Rep. 867.

The facts necessary to be stated are as follows: In September, 1888, the Muscatine Cattle Company sold to James Tate 1,000 head of cattle, at \$22 per head, delivery of the cattle to be made at Pueblo, Colo. Tate offered to A. J. Streeter, the agent of the cattle company, in payment for the cattle, his check for \$22,000 on the North Atchison Bank, and thereupon Streeter sent the following telegram to the bank:

PUEBLO, COLO., Sept. 2, 1888.

"To North Atchison Bank, Westboro, Mo.: Will you pay James Tate's check on you, twenty-two thousand dollars? Answer.

"A. J. STREETER."

To this telegram the following reply was sent and delivered to Streeter:

"WESTBORO, MO., Sept. 29, 1888.

"To A. J. Streeter, Pueblo, Colo.: James Tate is good. Send on your paper.

NORTH ATCHISON BANK."

On the receipt of this answer, and on the faith thereof, the Muscatine Cattle Company delivered the cattle to Tate, and accepted from him in payment thereof his check in the following form:

"WESTBORO, MO., Sept. 28, 1888.

"North Atchison Bank: Pay to the order of Muscatine Cattle Company twenty-two thousand dollars, with exchange.

"\$22,000.

JAMES TATE."

The cattle company, being at the time indebted to the plaintiff firm in a sum exceeding the amount of the check, exhibited the same with the telegrams already set forth, to the plaintiff firm, and thereupon said firm accepted the check, giving the cattle company credit therefor. In due time the check was presented for payment to the North Atchison

Bank, which was refused, the reason assigned being, "Want of funds." Subsequently the check was again presented, and a demand made for payment, which was refused, on the ground that "Tate had countermanded the same."

Counsel for plaintiff in error in the brief filed in the cause discuss at some length the question whether the check is to be deemed an inland bill of exchange or a certified check, but, as we view the case, these are matters aside from the real question at issue. In the petition filed in the cause the plaintiffs therein set forth the facts *in extenso*, and base the right of recovery thereon, regardless of the technical distinctions existing between inland bills of exchange and checks accepted or certified. The rights of the parties are dependent solely upon the question whether the North Atchison Bank bound itself unconditionally in writing to pay Tate's check on the bank for the sum of \$22,000. If that is the fair meaning of the telegram passing between Streeter, as the representative of the Muscatine Cattle Company, and the defendant bank, then, as the admitted fact is that the company delivered the cattle to Tate and received the check in payment therefor on the faith of the promise made by the defendant bank, it follows that the bank is bound to make good the promise made.

When correspondence is had and a contract is entered into by means of the telegraph, it is not to be expected that the terms thereof will be set forth with as much fullness as would ordinarily be the case if the parties were in each other's presence. The telegraph, however, is now a well-recognized means of communication in the business world, and contracts made through its use must be construed and enforced according to the intent of the parties thereto. The first communication between the contracting parties came from the agent of the cattle company. The admitted facts in the case clearly show that his purpose in sending the telegram was to ascertain whether he could safely accept Tate's check for \$22,000 in payment for the cattle to be delivered, in the assurance that it would be paid by the bank on presentation. The question put to the bank was wholly free from ambiguity. It was clear, direct and pointed: "Will you pay James Tate's check on you, twenty-two thousand dollars? Answer." There can be no doubt that it was Streeter's purpose, in sending this telegram, to ascertain whether the bank would bind itself to pay the check in case he took it in payment for the cattle to be delivered to Tate. Can there be any doubt that the bank must have understood the purpose and meaning of the dispatch thus addressed to it? The bank was engaged in the business of receiving money on deposit, and paying it out on checks drawn by its depositors. No other meaning could be given to the telegram by the bank than that James Tate's check on the bank for \$22,000 had been offered to Streeter, and before he accepted it he wished to know whether it would be paid on presentation. So far, therefore, as the meaning of the telegram sent to the bank is persuasive in determining the contract of the parties, it must be held that its purpose was to procure an absolute promise of payment from the bank, before the same could be received in payment for the cattle contracted to be sold to Tate.

It cannot be questioned, and it is practically admitted by counsel for the bank, that if the answer had been, "The bank will pay Tate's check for twenty-two thousand dollars on presentation," there would be no doubt that thereby the bank would have been bound absolutely for the payment of the check. Can any other meaning be fairly given to the words actually used by the bank in answering the question put to it? These are, "James Tate is good; send on your paper." Counsel for plaintiff in error claim that the answer should only be construed to be

a statement that Tate was good for the amount named, and cannot be construed to be a promise to pay the check. The question put to the bank, and to which an answer was requested, was not whether Tate was good, but whether the bank would pay his check for a given sum. It cannot be supposed that the bank intended to return an ambiguous answer for the purpose of misleading the party asking the question, and therefore, if the answer had been limited to the words "Tate is good," there would be ground for holding that the bank thereby intended an affirmative answer to the categorical question put to it; but all doubt is put at rest by the remaining words of the answer, to wit, "Send on your paper." These words invited action on the part of the person to whom they were addressed. They are not merely an expression of an opinion. Read in connection with the message sent by Streeter, and which they were intended to answer, the meaning thereof is, "Send on your check on Tate, and we will pay it." When the answer reached Streeter he was clearly justified in assuming that the meaning of the bank was that if he sent on the check the bank would pay it on presentation.

The intent of the parties who thus exchanged proposition and answer, by means of the telegraph, is to be derived from the words used by them, read in the light of the circumstances then in existence. The court is not called upon to consider the nice distinctions that may exist between bills of exchange, checks accepted, and checks certified, but only the question whether the defendant bank agreed to pay Tate's check for \$22,000, and, as already stated, that, in our judgment, is just what the bank, in the answer it returned to the telegram sent it, bound itself to do; and when, on the faith of this promise, the cattle company delivered the cattle to Tate, and accepted the check in payment, the bank became legally liable for the payment of the check in question.

It is said, however, that the check presented is not the same as the check named in the telegraphic correspondence, because it contains the words "with exchange," and thereby the amount needed to pay the check is increased over the sum named in the telegram. This is evidently an afterthought. This objection was not taken when the check was presented, and it is wholly without merit. No legal force can be given to these words. They cannot be construed to increase the amount called for by the check, and they are clearly surplusage, and are therefore to be disregarded. The check is dated at Westboro, Mo., and is payable at Westboro, and therefore there is no basis for calculating exchange. The bank is not directed to pay \$22,000 with exchange on Chicago, New York, or any other place. According to its terms, it called for the payment at Westboro, Mo., of the sum of \$22,000, which is just the sum, no more and no less, which the bank agreed to pay by the answer it returned to the telegram sent it on behalf of the cattle company. The judgment below is affirmed, at cost of plaintiff in error.—*Federal Reporter*.

WHEN A BILL OF LADING SHOULD BE DELIVERED ACCOMPANYING A DRAFT.

SUPREME COURT OF IOWA.

First National Bank v. Crabtree.

J. bought cattle from C., paying therefor by a draft on R., to whom they were consigned by J., to be sold and paid for when sold. The bill of lading, which contained no restrictions as to delivery by the common carrier, was delivered with the draft to C., who sold the draft to plaintiff bank, indorsing it in blank, and turning over with it the bill of lading. R. paid on the draft the proceeds of the sale of the cattle, and refused to pay the balance. *Held*, in a suit against J. and C. for the deficit, that plaintiff was not bound to hold the bill of lading until the draft was paid.

The fact that C., when he put his name on the draft, did not think it would render him liable as an indorser, could not relieve him.

Where the trial judge discharged the jury after he had been asked to do so by both parties, the defeated party cannot complain that the court erred in taking the case from the jury.

KINNE, J.—1. Defendant Crabtree sold cattle to one Johnsen, who drew a draft against Rosenbaum Bros., of Chicago, consignees of the cattle, for their purchase price, \$1,778.46. Said draft was made payable to Crabtree. The bill of lading was also given Crabtree by Johnsen. Crabtree sold the draft to plaintiff, indorsed it in blank, and also turned over to plaintiff the bill of lading. The draft was by plaintiff forwarded to its correspondent at Chicago, presented to Rosenbaum Bros., and payment refused. It was then protested, after which Rosenbaum Bros. paid them \$1,545.23, which was indorsed on the draft. This sum paid seems to have been the proceeds of the cattle shipped. Plaintiff then brought this action against Johnsen and Crabtree for the balance due on said draft, and for protest fees. To the petition, which was in the usual form, defendants answered jointly, averring that Johnsen, the drawer of the draft, and plaintiff, had some time before entered into an arrangement whereby the former had given plaintiff certain collateral securities, notes and mortgages, aggregating \$2,700, and claiming that, by virtue of the contract under which said securities were held, they covered the sum sued for in this action; also claiming that the indorsement of the draft by Crabtree to the bank was in blank, and in fact without recourse. This agreement between the bank and Johnsen was alleged to be partly in writing and partly oral. The oral part was that the bank, in consideration of the securities mentioned, would pay the drafts of Johnsen, or advance in cash the amount thereof to the various customers of Johnsen, and hold and take said securities as its indemnity for any amount thus advanced that it might not collect on said drafts in Chicago. The written portion of the agreement was evidenced by the following on the back of one collateral note: "This note is given as collateral to cover all notes and overdrafts, of every name and nature, that the maker hereof is now or hereafter may be owing the payee of the within note." And the following indorsement on the back of another collateral note: "This note, given as collateral security for all loans, overdrafts, advances of every name and nature, now due or to become due, made J. G. L. Johnsen by the First National Bank, Marshalltown, Iowa, evidenced by the notes or books of said corporation." And by this indorsement on

a collateral note given by the mother of said Johnsen, and secured upon her real estate: "This note is given George Glick, trustee, to secure any money my son J. G. L. Johnsen may now or hereafter owe the First National Bank of Marshalltown, Iowa; and the bank agrees to exhaust all the property by my son mortgaged to them before they call upon this security. Jan. 22, 1889." Plaintiff demurred to this answer on several grounds. They may be summarized as follows: (1) That said counts did not aver payment, or plead any matter of defense; (2) that the fact that plaintiff had security for the payment of the debt is no defense to its right to a judgment, nor is the fact of plaintiff's agreeing to advance money to Johnsen, as set out by defendants; (3) it is averred that the security held by plaintiff was executed to it as security, and not as a payment of the debt sued on; (4) that the answer seeks to contradict and vary a written contract by parol, and no fraud or mistake is pleaded; (5) that said answer seeks to show by parol that plaintiff undertook to pay the debt of Johnsen to a third party; (6) that it cannot be shown by parol that Crabtree indorsed the draft in blank as a matter of form, and that there was no contract in relation to said indorsement between the bank and Crabtree. The demurrer was sustained, and defendants excepted, and, standing upon their answer, judgment was entered against Johnsen for the amount claimed. Crabtree also filed a separate answer, in which he makes substantially the same averments as in the joint answer, and also says he sold and transferred his cattle to Johnsen, relying upon the agreements between Johnsen and the bank. He especially pleads that said arrangement between Johnsen and the bank secured the plaintiff to advance the money on behalf of Crabtree; also pleads that, in indorsing the draft to plaintiff, it was agreed that it should be without recourse. Other allegations were made, not necessary to be stated. The court, on motion of the parties, took the case from the jury. Judgment was rendered for plaintiff against Crabtree, from which he appeals.

2. Defendant Johnsen did not appeal. It is insisted that the court erred in taking the case from the jury. It seems to us that there was no dispute as to the facts which were material to this controversy. Whether that be so or not is immaterial, as the court discharged the jury after he had been asked to do so by both parties. In this action there was no error.

3. It is claimed by Crabtree, in his separate answer, that he relied upon the arrangement existing between the bank and Johnsen in indorsing the draft, and hence should not be liable. We need not determine as to whether that arrangement was broad enough, as shown by indorsements on the notes, to cover the liability in suit. The evidence fails to show that, in making his indorsement, he relied upon the contract existing between the bank and Johnsen. Indeed, it appears he never knew of its existence until some days afterwards. Furthermore, plaintiff proved without objection that the collaterals held by the bank were not to cover liabilities like that in the case at bar. It also appears from the evidence that plaintiff had several other claims against Johnsen, for which they held these collaterals; that, prior to this sale by Crabtree to Johnsen, plaintiff and Johnsen had had a settlement, and the amount due the bank by Johnsen, and which was not then evidenced by his note, was put in a note; and that the bank had no further deals with him. The evidence, taken altogether, shows that the collaterals put up by Johnsen to the bank did not cover the sum for which it is sought to make Crabtree liable in this action.

4. It is claimed that Crabtree should have been placed in a position by the bank to be subrogated to its rights in the collaterals it held against Johnsen. We have said that these collaterals were never

intended to cover the claim in suit. It further appears that the bank offered to turn over to Crabtree all the collaterals it held against Johnsen, on payment by him of the amount Johnsen owed it. Crabtree refused to accept this proposition. He did, however, offer to pay a part of the sum due by Johnsen to the bank, and take the chattel mortgage and note it secured. This plaintiff refused to do. Under its contract with Johnsen's mother, to have accepted Crabtree's proposition would have released her from liability to the bank. Defendant cannot complain of the bank's action in surrendering to the Johnsens collaterals in which he had no possible interest.

5. Counsel for appellant argues with much force that, as there was a bill of lading for the cattle attached to the draft, thereby new duties were cast upon the bank and new rights acquired by Crabtree; and he claims that the bank could not deliver the bill of lading until the draft was paid in full. Several cases are cited by counsel in support of his contention. We need not review all of them. A consideration of some of them will serve to illustrate why the rule contended for by appellant is not applicable in this case. In *Emery's Sons v. Irving National Bank*, 25 Ohio St. 360, the court says: "We have no doubt, however, that if the bill of lading shows a consignment by vendor to vendee, and no other circumstance appears as to the intention, it will be taken as *prima facie* evidence of an unconditional delivery to the vendee." In that case it was held that there were other circumstances showing the intention of the consignor to reserve title to the property in himself. In Tied. Com. Paper, § 494, the doctrine is announced that if the carrier delivers the goods to the vendee in contradiction of the terms of the bill of lading, as where it provides for delivery only on payment of a bill of exchange, a delivery so made would not give a good title. The case of *Bank v. Luttgren* (Minn.) 13 N. W. Rep. 151, was one where the consignor made the shipment to himself. Evidence was also introduced touching the conditions agreed to by the bank at the time the bill of lading was given to it, from all of which facts the court held the bill was held by the bank as security. Whether or not the consignor has reserved the *jus disponendi* is to be determined, not only from the form of the bill of lading itself, but also in the light of the circumstances surrounding the transaction. Such we believe to be the established rule. (*Emery's Sons v. Irving Nat. Bank*, 25 Ohio St. 360; *Bank v. Luttgren*, (Minn.) 13 N. W. Rep. 151; 2 Daniel, Neg. Inst. 1,734a; 2 Amer. & Eng. Enc. Law, p. 241.) Now, applying the law to the facts of this case, we find that Johnsen consigned the cattle to Rosenbaum Bros., at Chicago, without, so far as the bill of lading shows, any limitations or restrictions as to delivery to them by the railroad company. Johnsen swears he sent the cattle to Rosenbaum Bros. to be sold on the market; that he did not expect them to pay until they sold the cattle. Under the consignment the carrier was authorized to deliver the cattle to Rosenbaum Bros. without conditions. The evidence all shows that they were to be sold in the usual course of trade, and paid for when sold. Such being the fact, it is clear plaintiff was not bound to hold the bill of lading until the draft was paid.

6. Crabtree also insists that, when he indorsed the draft to the bank, it was understood that he was not to be holden thereon; that it was without recourse on him. When Crabtree presented the draft to the bank he was asked to indorse it, which he did. There is nothing to show that there was any arrangement, agreement, or understanding that he should not be liable on his contract of indorsement. It may be that Crabtree did not think the signing of his name on the back of the draft would render him liable as an indorser. His mistake as to the legal

effect of his act could not prejudice the bank. In the absence of an agreement to the contrary, the law fixed his liability.

7. In the joint answer of Crabtree and Johnsen, from the facts pleaded, it is claimed that the indorsement of the draft by the former was in fact made without recourse. That is, it is said that the arrangement between the bank and Johnsen precluded the idea of Crabtree's liability on his indorsement. The law in this State is settled that as between the parties to the contract of indorsement, when it is in blank, the real contract of the parties may be shown, even though the effect may be to relieve the indorser from all liability. (*Harrison v. McKime*, 18 Iowa, 485; *James v. Smith*, 30 Iowa 55.) In another part of this opinion we have held that the contract of Johnsen with the bank, under which the collaterals were put up, was not available to Crabtree. In the joint defense it is not even alleged that Crabtree made the indorsement on the faith of these collaterals, or that he had any knowledge of their existence.

8. Some other questions raised by the ruling upon the demurrer have been discussed in treating of Crabtree's defense as presented in his separate answer. We have examined the record with reference to other assignments of error, and are content with the rulings of the lower court. The judgment of the District Court will be affirmed.—*Northwestern Reporter*.

LIABILITY OF A MERCANTILE AGENCY.

CIRCUIT COURT, S. D. NEW YORK.

City National Bank of Birmingham v. Dun, et al.

A principal is civilly liable for the fraud and deceit of his agent which was committed for the principal in the course of and as a part of the agent's employment, and within the scope of his authority, though the principal did not in fact authorize the practice of such an act. *Kennedy v. McKay*, 43 N. J. Law, 288, distinguished.

Defendants, constituting a mercantile agency, agreed to furnish plaintiff, through its sub-agents, information concerning the mercantile standing and credit of merchants; defendants not to be responsible for the negligence of its agents in procuring information, and not guaranteeing the correctness thereof. *Held*, where defendants' agent, in reply to their call, knowingly gave false information concerning the standing of a merchant, with intent to mislead plaintiff and benefit said merchant, and plaintiff sustained loss thereby, that defendants were liable, the agent's action being within the scope of his authority, and for and upon the business of the defendants.

SHIPMAN, Circuit Judge.—This is a motion by the defendants for a new trial of an action at law to recover damages incurred by the plaintiffs by reason of the fraud committed by the defendants' agent, acting as such, and in the course of his agency. The complaint was in the nature of an action for deceit, and treated the fraud of the agent as that of the principals, who were in fact ignorant of it. The defendants constitute a "mercantile agency" in the city of New York. The plaintiff is a bank in Alabama which became a subscriber to the said agency, under a written contract of which the following are the material portions:

"Memorandum of the agreement between R. G. Dun & Co., proprietors of the mercantile agency, on the one part, and the undersigned, subscribers to the said agency, on the other part, viz.: The said proprietors are to communicate to us, on request, for our use in our busi-

ness, as an aid to us in determining the propriety of giving credit, such information as they may possess concerning the mercantile standing and credit of merchants, traders, manufacturers, etc., throughout the United States and in the Dominion of Canada. It is agreed that such information has mainly been, and shall mainly be, obtained and communicated by servants, clerks, attorneys, and employes, appointed as our sub-agents, in our behalf, by the said R. G. Dun & Co. The said information to be communicated by the said R. G. Dun & Co., in accordance with the following rules and stipulations, with which we, subscribers to the agency, as aforesaid, agree to comply faithfully, to wit : . . . (2) The said R. G. Dun & Co. shall not be responsible for any loss caused by the neglect of any of the said servants, attorneys, clerks, and employes in procuring, collecting, and communicating the said information, and the actual verity or correctness of the said information is in no manner guaranteed by the said R. G. Dun & Co. The action of the said agency being of necessity almost entirely confidential in all its departments and details, the said R. G. Dun & Co. shall never, under any circumstances, be required by the subscriber to disclose the name of any such servant, clerk, attorney, or employe, or any fact whatever concerning him or her, or concerning the means or sources by or from which any information so possessed or communicated was obtained."

The plaintiff, having been solicited to discount the acceptances of W. A. Kitts, of Oswego, N. Y., applied to the defendant for information in regard to his mercantile standing and responsibility. The defendants and their Oswego agent knew that this information was asked for, for the use and benefit of the subscriber in its business, viz., that of aiding the inquirer to determine the propriety of giving credit. In reply to the defendants' call upon their Oswego agent for such information, he sent them a written statement, which they furnished to the plaintiff, upon the strength of which, and in reliance thereon, it gave Kitts credit and discounted his acceptances, which were not paid, and the amount of which the bank lost.

The court charged the jury as follows :

"For any loss occasioned by the neglect of these employes in seeking and obtaining accurate information, Dun & Co. are not responsible. For losses occasioned by the indolence or carelessness of the employe, which causes the information to be inaccurate, Dun & Co. are not liable. Neither do they guarantee the actual truth or correctness of the information. But notwithstanding that these employes are the sub-agents of the persons who seek the information, they are also employed by, and are paid by and are legally, as well as in popular language, the agents of Dun & Co. For losses occasioned by the willful fraud, and not by the mere carelessness or ignorance of the agents, in committing information known by them to be untrue, and with intent to mislead the inquirer, the defendants are liable, if the plaintiffs, having placed reliance upon the fraudulent misrepresentations, gave credit in consequence of such fraud, and were lured thereby to their pecuniary loss and damage. In this case, the business of the firm of R. G. Dun & Co. was to furnish information to subscribers who had employed them for that purpose for a pecuniary consideration. If in the discharge of the duties of an employe, and in undertaking to furnish information in reply to an inquirer, and acting in the business of the agency, Mr. Burchard knowingly gave false information with intent to deceive the inquirer, the defendant is liable, although Burchard's private inducement to commit the fraud was desire to help Kitts. The questions of fact in any contested case become at least three in number: (1) Were the statements untrue at the time they were made? (2) Were they known by the agent to be untrue at

the time, and did he then act fraudulently with intent to mislead the inquirer? for that he knew that the information was sought for the purpose of aiding the inquirer to determine the propriety of giving credit to the person inquired about is palpable; and (3) Did the plaintiff, relying upon the truth of the information, give credit upon the faith of the untrue representations, and thereby incur a loss?"

The jury found for the plaintiff. There was no question of fact in regard to the scope of the agent's authority, and the information was communicated to the defendants by the agent in the regular and usual course of his agency business. The defendant's argument upon the motion for a new trial was directed to two propositions, the first of which is that an innocent principal is not liable in an action of deceit for the fraudulent representations of an agent, although the principal, in ignorance of the fraud, receives and retains the fruits of it. It is not denied that, if suit is brought by the principal to enforce the contract, the fraud is a defense, and that, if the deceived person institutes a suit to rescind the contract on that ground, the misrepresentations are imputable to the principal, because it is inequitable that he should retain the fruits of fraud; but it is claimed that an action of deceit cannot lie in favor of the injured party against an innocent principal. It must be universally conceded that the language of the text writers, the *dicta* of the early English cases, and the decisions of the courts of high authority in this country were in favor of the principle that a principal is civilly liable for the fraud and deceit of his agent which was committed for the principal, in the course of and as a part of the agent's employment, and within the scope of his authority, though in fact the principal did not authorize the practice of such an act. (Story, Ag. §§ 139, 452; 1 Pars. Cont. 62; *Locke v. Stearns*, 1 Metc. (Mass.) 560; *Olmsted v. Hotelling*, 1 Hill 317; *White v. Sawyer*, 16 Gray 586; *Bennett v. Judson*, 21 N. Y. 238; *Herrn v. Nichols*, 1 Salk. 289; *Wilson v. Fuller*, 3 Q. B. 68; *Ormod v. Huth*, 14 Mees. & W. 651; *Murray v. Mann*, 2 Exch. 538.)

But it is said by the defendant that later English cases, and a well-considered modern case in New Jersey, have denied that an action of deceit would lie against an innocent principal; and the cases of *Udell v. Atherton*, 7 Hurl. & N. 170; *Bank v. Addie*, L. R. 1 H. L. Sc. 146; and *Kennedy v. McKay*, 43 N. J. Law, 288—are cited. An examination of each of those cases shows that the old doctrine was not denied that the principal is liable whenever his agent, who is, at the time, acting within the scope of his authority and for the principal, makes a fraudulent misrepresentation which influences and is acted upon by the plaintiff to his injury, but that the cases turned upon the question whether the alleged agent was, under the circumstances in each case, acting within the scope of his authority. *Udell v. Atherton* was tried at *nisi prius* by Baron Martin, who nonsuited the plaintiff. A commission merchant sold for the innocent defendant to the plaintiff a log of mahogany, the soundness of which the commission merchant fraudulently represented, knowing the untruthfulness of his assertion. The Appellate Court was equally divided, two judges holding that the defendant was liable, inasmuch as he had received and retained the fruits of the fraud, and two judges holding that he was not liable. It is apparent from the opinion of the two (Martin and Bramwell) who were in favor of the defendant, that the case depended in their minds upon the fact, which they deemed to have existed, that the selling agent was not in fact authorized to make the representation, and that his situation before the buyer or the public was not such as to bring the representation he made within the scope of his authority. Baron Martin said tersely: "The true rule is that, wherever an agent acting within the scope of his authority makes

a fraudulent misrepresentation, his principal is liable." The case of *Kennedy v. McKay* in 43 N. J. Law 288, also turned upon the fact that the alleged agents were without authority to make representations, and exceeded the manifest scope of their authority in so doing. The case of *Addie v. Bank* was, in brief, as follows: Addie bought of the bank 135 shares of its stock, induced thereto by false and fraudulent annual statements of its directors to the shareholders, and by the fraud of the manager, who falsely caused an agent of the bank to represent to Addie that a purchase would be a good investment. The bank became insolvent, went into liquidation, and Addie presented his claim against the bank to recover the damages arising from the fraud. It is true that there are *dicta* of the judges who gave the chief opinions in the House of Lords, which assert the doctrine of the present defendants, and which, not taken in connection with the facts of the case or with other portions of the opinions, justify the reliance which is placed upon them by the defendants' counsel; but an examination of the whole case shows that one of the decisive facts upon which it hinged was the lack of implied authority in the directors to make representations upon which a sale could be based. This sufficiently appears from Lord Chelmsford's statement of the true ground upon which a corporation can be held liable for the statements of its directors. It will thus be seen that the cases upon which reliance is placed show nothing more than a disposition on the part of English judges to demand that, when an innocent principal is made liable, it shall clearly appear that the fraudulent agent was not acting outside the known scope and power of his agency. But the question was re-examined, in the light of the Addie Case, in *Mackay v. Bank*, L. R. 5 P. C. 394—a case in which no doubts of the extent of the agency existed—and it was held, without hesitation, that "in an action of deceit, whether against a person or a company, the fraud of the agent may be treated, for the purposes of pleading, as the fraud of the principal," and the language of Lord Willes in *Barwick v. Bank*, L. R. 2 Exch. 259, is approved:

"The master is answerable for every such [fraudulent] wrong of his servant or agent as is committed in the course of his service and for the master's benefit, though no express command or privity of the master be proved."

The defendants' second point is that they are not liable, because the motive which induced the agent to commit the fraud was a desire to benefit Kitts, and that an "innocent principal is not liable where the agent made the fraudulent representations which produced the injury, not for the employer, but for his own interest and to serve his private ends." This form of statement is another manifestation of the strictness with which some of the English courts require that the agent must be acting for the principal and within the scope of his authority in making the representations, and, if he is committing the fraud for his individual ends, he cannot be considered, under their decisions, as acting for the principal, although his statements related to matters about which he was authorized to give answers. Whether the same conclusion would be reached by the courts of this country is a point which I do not intend to consider. The facts in the case of *British Mut. Banking Co. v. Charnwood Forest Ry. Co.*, L. R. 18 Q. B. 714, which the defendants cite, clearly illustrate the nature of the cases to which the proposition applies. Customers of the plaintiffs applied to them for a loan on the security of transfers of the debenture stock of the defendant company. The plaintiffs' manager asked the defendants' secretary, who said that the transfers were valid and the stock existed. The plaintiffs made the advances. The secretary and one Maddison had fraudulently issued



certificates for debenture stock, and these transfers related to a part of this over-issue. Plaintiffs lost their security. The false statements were made in the interest of the secretary and Maddison. The court held that the secretary was held out as a person to answer such questions as were put to him on behalf of or for his employers, but when, in answering inquiries put by third persons, he made statements in his own interest or to assist his friend, and not on the bank's account, he was not acting for the defendants. But it must be clearly understood, as is laid down by Lord Esher in the same case, that the language of the books, which speaks of acts or representations of the agent "in the interest of the principal" or "for the benefit of the principal," is not limited to acts which result in the pecuniary benefit of the principal. This language is "equivalent to saying that he must act" for "the principal, since, if there is authority to do the act, it does not matter if the principal is benefited by it."

The circumstances of this case show that the Oswego agent was plainly acting within the scope of his authority and for his principal. The plaintiff, one of the customers of the defendants and a subscriber to their "mercantile agency," asked the defendants for information, which, for a money consideration, they had undertaken to furnish. The defendants wrote to their agent for this information. He fraudulently furnished them with false statements, which they sent to the plaintiff to be acted upon. The agent's action was most plainly within the scope of his authority, and for and upon the business of the defendants. The private motive which induced him to defraud is immaterial.

The two questions which have been considered constitute the vital ones in the case. There are others, which, if they resulted favorably to the defendants, would simply send the case back for a new trial—a result which, as the defendants' able counsel admitted, would be valueless to them if their legal liability in this form of action was established—and therefore were merely stated upon the brief.

There were several exceptions upon the trial to the admissibility of testimony contained in the depositions. The depositions on both sides were taken upon the theory that the individual opinion of the witness in regard to Kitts' financial standing was admissible. This whole class of testimony was endeavored to be ruled out upon the trial. The questions that were admitted and were excepted to related to the known financial standing of Kitts in the community, rather than to the individual opinion of the witness as to his proper *status*.

The defendants among other requests asked for the usual charge that the burden of proof was upon the plaintiff. The court intended to comply with the ordinary custom, and charge accordingly, but the matter escaped his memory. The judge's attention was not called to the omission, but the exception was a general one. A decision is not placed upon the ground that the exception was general, because it may be said there the court permitted such an exception. Whatever may be the proper consequences of this omission upon a writ of error, it is of no importance in this case upon a motion for a new trial, for the omission resulted in no injury to the defendants. The only question in dispute was that of fraud, and the affirmative testimony in regard to this point was abundant and perfectly convincing. The deposition of Kitts left no doubt of the untruthfulness of the agent's assertions, and the testimony of the agent in his own favor, though he was carefully led by the defendants' counsel, had no weight with those who heard it. A charge in regard to the burden of proof, in this case, would have been a mere formality. The motion for a new trial is denied.—*Federal Reporter*.

SET-OFF OF DEPOSIT IN AN INSOLVENT BANK
AGAINST AN UNMATURED NOTE.

SUPREME COURT OF OHIO.

Armstrong v. Warner, et al.

When the holder of a claim not yet due, arising upon contract, becomes insolvent, and transfers the same before maturity, and the debtor at the time of the transfer holds a similar claim, then due, against the assignor, his right of set-off is preserved against the assignee when the latter's cause of action arises; and a surety on the obligation so transferred may enforce the set-off for his own protection if the principal debtor be insolvent. The rule does not apply where the thing transferred is commercial paper, and the assignee becomes the *bona fide* holder thereof for value.

Equity will, in general, enforce the right of set-off by decreeing the compensation of mutual demands, so far as they equal each other, where they have grown out of the same or connected transactions, or the one has formed, in whole or in part, the consideration of the other, and the party against whom the set-off is asserted is insolvent.

Section 5,242, Rev. St. U. S., prohibits any National bank, when insolvent, or in contemplation of insolvency, from so disposing of its assets as to prevent their proper application to the redemption of its circulating notes, and the ratable distribution of the remainder among its creditors; but it does not prohibit the allowance of any valid set-off, legal or equitable, which a debtor of the bank may have against any obligation owing by him to it at the time of its insolvency.

The allowance of such set-off is not the creation of a preference by the bank, but an ascertainment merely of the just amount due on the debtor's obligation, and may be enforced against a receiver of the bank. It is the balance due after deducting the set-off, which constitutes assets in the receiver's hands for disposition in accordance with the provisions of the Federal statutes.

A National bank received on deposit a check drawn by the plaintiff on another bank, and carried the amount to the credit of his agent, upon the agreement that he would take for part of the sum a draft drawn on a distant bank, and would not immediately check out the balance. The draft was accordingly issued, but before presentment the drawer bank, which was insolvent, passed into the hands of a receiver, without having provided any funds with which to pay the draft. The check (payment of which had been stopped) came to the possession of the receiver, and the draft belonged to the plaintiff. *Held*, the plaintiff is entitled in equity to have the amount of the draft set off against his liability on the check.

The same bank, at the time of its insolvency, held a draft which it had discounted for, and carried the proceeds to the credit of, the drawer, for whose accommodation it had been accepted by the plaintiff. The draft was protested for non-payment, and the liability of the drawer made absolute. As between the drawer and the plaintiff, the former was the principal debtor, and the latter his surety only. When the bank passed into the control of the receiver, the drawer of the draft, who afterwards became insolvent, had standing to his credit on his deposit account with the bank a sum less than the amount of the draft. *Held*, the plaintiff, as surety, is entitled in equity to have set off against his liability as acceptor of the draft the amount due his principal on the deposit account with the bank.

The original action was brought in the Superior Court of Cincinnati by Hulbert H. Warner, doing business as H. H. Warner & Co., against David Armstrong, receiver of the Fidelity National Bank of Cincinnati, William J. M. Gordon, and David M. Hyman, trustee for the benefit of Gordon's creditors. The object of the suit was to establish certain set-offs against obligations which the bank held against Warner. Upon the trial at special term the plaintiff obtained judgment allowing the set-

offs, which was affirmed at general term; and to reverse those judgments the present proceeding in error is prosecuted by Armstrong, the receiver of the bank.

WILLIAMS, J. (*after stating the facts*).—The general ground upon which the reversal of the judgments below is sought, and the only one advanced by counsel in the argument, is that the facts established by the evidence do not entitle the plaintiff to the set-offs allowed him. The evidence is embodied in a bill of exceptions, which was properly taken; and there appears to be neither substantial conflict in the evidence nor material controversy about the facts of the case. The facts are substantially as follows: The plaintiff, Warner, was indebted in the sum of \$4,067.82 on a draft drawn by him February 19, 1887, on the defendant Gordon, and accepted by the latter for Warner's accommodation, payable four months after date at the American Exchange National Bank, New York. On the 18th of June, 1887, being a few days before the maturity of the draft, Warner drew his check on the Bank of Monroe, of Rochester, N. Y., where he had funds, for \$4,067.82, the precise amount of the draft, and forwarded the same to Gordon, to enable him to meet the draft at its maturity. The check was received by Gordon, in Cincinnati, and on the afternoon of June 20, 1887, was presented by him at the counter of the Fidelity National Bank of that city, which declined to cash it, but carried the amount to the credit of Gordon on his deposit account with the bank, upon the agreement that Gordon should accept New York exchange to the amount of \$3,200, and the balance should remain to his credit, and not be immediately drawn out. Thereupon the Fidelity National Bank, on Gordon's check, issued its draft to him on the First National Bank of New York City for \$3,200, leaving a balance of \$867.82 of the Warner check standing to the credit of Gordon. The Fidelity Bank had no funds in the First National Bank of New York City, and when the draft for \$3,200 was presented payment was, on that account, refused; and the draft has since remained in the hands of Gordon and the trustee for the benefit of his creditors. At the time the Fidelity Bank received the Warner check and issued the draft for \$3,200 it was insolvent, which fact was known to the managing officers of the bank, and those who transacted the business with Gordon, but was unknown to him. On the same day, and soon after the business with Gordon was completed, the bank closed its doors, ceased to do business, and passed into the hands of a bank examiner. A few days afterwards Armstrong was appointed receiver. Warner, upon learning of the failure of the bank, stopped the payment of his check, which Gordon had deposited with it as before stated, and the check came to Armstrong's possession upon his appointment as receiver, in which capacity it is now held by him. Gordon, who was in fact the agent of Warner in the transaction referred to with the Fidelity Bank, became insolvent shortly after the failure of that bank, and made an assignment of his property in trust for the benefit of his creditors, and the trustee having custody of the draft for \$3,200 was made a party to the action below. One of the objects of the plaintiff's action was to have the liability of the bank to him on that draft, issued for his benefit, set off against his liability to the bank on the check for \$4,067.82, which Gordon deposited with the bank, under the agreement already stated. The additional facts peculiar to the other set-off claimed are, in substance, these: On the 21st of February, 1887, Warner accepted a draft drawn on him by Gordon, for the latter's accommodation, for the sum of \$4,249.26, payable to the order of Gordon four months after date. This acceptance the Fidelity Bank discounted for Gordon, and carried the amount to the credit of his deposit account. On its maturity the acceptance was

protested for non-payment, and Gordon's liability made absolute. The draft passed into the hands of Armstrong upon his appointment as receiver, and is still held by him. At the time of the failure of the bank and the appointment of the receiver there was a balance due Gordon on his deposit account of \$1,190.57, which the plaintiff seeks to have set off against the draft. The trial court adjudged that the plaintiff was entitled to have the set-offs allowed, but required, as a condition to the entry of the judgment, that he pay the balance remaining due on his obligations in the hands of the receiver, which the record shows was deposited with the clerk, and judgment was accordingly entered.

The plaintiff in error resisted the set-offs, as stated by his counsel in their briefs: "*First*. Upon the ground that, Warner's liabilities to the bank not being due at the date of its failure (June 21st), the legal or statutory right of offset did not exist; nor did the necessary conditions exist for their allowance as equitable set-offs. *Second*. That, even if they were allowable as equitable set-offs, yet, being asserted against the assets of a National bank in the hands of a receiver, they could not be allowed without violating section 5,242 of the Revised Statutes of the United States." And it is upon these specific grounds that counsel contend the judgments below should be reversed. We will consider them in the order stated; and, while the set-offs allowed do not both stand upon precisely the same footing, they may for convenience be considered together.

1. It is undoubtedly true that under the statute cross demands are not "deemed compensated, so far as they equal each other," unless they have existed under such circumstances that, if the holder of one of the demands had brought an action upon it against the holder of the other, the latter could have set up his demand by way of set-off or counterclaim; and, as a general rule, to entitle a set-off to be made at law, a present right of action must exist in favor of the holder of each demand against the other at the same time; and, consequently, the assignment of one of the demands before it becomes due will, in general, defeat the set-off. This was held in *Fuller v. Steiglitz*, 27 Ohio St. 355, where there were no equitable considerations for applying the principle of compensation to cross demands. But "if an insolvent holder of a claim not yet matured assigns the same before maturity, and the debtor at the time of the transfer holds a similar claim against the assignor, which is then due and payable, his right of set-off against the assignee, when the latter's cause of action arises, is preserved and protected." (Pom. Rem. § 163.) This rule, it is said, is based upon considerations of equity, and is adopted to prevent one party from losing his own demand on account of the insolvency of his immediate debtor, and from being at the same time compelled to pay the debt originally owing by himself to the insolvent assignor. It can, of course, have no proper application when the thing transferred is commercial paper, and the assignee becomes the *bona fide* holder thereof for value. The rule was approved and applied in the case of *Bank v. Hemingray*, 34 Ohio St. 381, where the balance due a copartnership on its deposit account with a banking house which had become insolvent was set off against the individual notes executed by one of the copartners to the bank, notwithstanding the notes had been transferred before their maturity to the assignee of the bank for the benefit of its creditors. Under this rule, the fact that Warner's liability to the Fidelity Bank had not matured when it failed, either on the check drawn by him on the Rochester bank for \$4,057.82 or on his acceptance of the Gordon draft for \$4,249.26, did not, of itself, defeat his right to the set-offs which were awarded him by the judgment of the Superior Court, unless the position of the receiver, with respect to his

rights against those indebted to the bank, is a more favorable one than that of an assignee in insolvency ; and that it is not as well settled. The receiver is not a *bona fide* holder for value of the assets of the bank in the sense that its commercial paper in his hands is protected against defenses which might have been set up against the bank. He succeeded only to the rights of the bank at the time of its failure, and a set-off available against the bank at that time is equally available against him. (*Hade v. McVay*, 31 Ohio St. 231, and cases cited on page 238.) The remedy of set-off has been much enlarged in equity, and is there administered in cases where, under the strict rules at law, it would not be available. Thus, at law, a joint demand cannot be set off against a several one ; nor a several demand against a joint one ; but equity adopts a different rule where, on account of the insolvency of one of the parties, the other is in danger of losing his claim. (*Sarchet v. Sarchet*, 2 Ohio 320 ; *Baker v. Kinsey*, 41 Ohio St. 403.) And, generally, equity will enforce the right of set-off by decreeing the compensation of mutual demands, so far as they equal each other, where they have grown out of the same or connected transactions, or the one has formed, in whole or in part, the consideration of the other, and the party against whom the set-off is asserted is insolvent. These equitable grounds for the allowance of the set-offs claimed by the plaintiff are present in the case under consideration. The fund against which the check on the Rochester bank was drawn was the property of the plaintiff, and the check was put in the hands of Gordon to meet the maturing obligation of the plaintiff. In transferring the check to the Fidelity Bank, and obtaining from it the draft for \$3,200 on the First National Bank of New York, Gordon was the agent of the plaintiff, and the transaction was for the latter's benefit. The check was deposited upon the agreement that the draft should be issued for the specified sum, and the deposit and draft were each the consideration for the other. It is not to be supposed that the transaction would have occurred if the plaintiff or his agent had known at the time of the bank's insolvency. No funds were in the hands of the drawee at the time the draft was issued, nor was any provided with which to meet it on presentation, and therefore presentment and protest were not required in order to fix the liability of the drawer. The failure of the bank to provide the requisite fund to meet the draft made it necessary for the plaintiff's protection to stop the payment of the check ; and thus the liability of the plaintiff to the bank on the check, which the receiver seeks to enforce against him, arose from the bank's breach of its obligation, incurred as the consideration in part of the deposit of the check. There is nothing lacking here that is essential to a complete equitable right of set-off. And the same is true as to the other set-off allowed. The draft drawn by Gordon on Warner for \$4,249.26 was accepted by the latter solely for the accommodation and benefit of the former. They are each liable thereon, it is true ; but their relation to each other is that of principal and surety. If an action were brought by the bank against Gordon, as the drawer of the draft, he would be entitled to set off against his liability the balance standing to his credit on his deposit account with the bank ; and he being insolvent, his surety has the right to have the set-off allowed against his liability, which is but a mode of compelling the application of the principal's property to the payment of his own debt, for the relief of his surety. The objection made to this set-off on the ground that the liability on the draft had not matured when the bank failed has already been disposed of, for in that respect it does not differ from the one previously considered.

2. Does section 5,242 of the Revised Statutes of the United States forbid the allowance of the set-offs ? That section reads as follows :

"Sec. 5,242. All transfers of the notes, bonds, bills of exchange, or other evidences of debt owing to any National banking association, or of deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of money, or bullion, or other valuable thing for its use, or for the use of any of its shareholders or creditors; and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another, except in payment of its circulating notes—shall be utterly null and void; and no attachment, injunction or execution shall be issued against such association or its property before final judgment in any suit, action, or proceeding in any State, county, or municipal court." The right of set-off existed, as has been shown, and the receiver took the claims which the bank held against Warner subject to that right, unless the section operates to defeat it. The claim of the plaintiff in error is that, as the liabilities of Warner passed to the receiver before they matured, to allow the set-offs would interfere with the equal distribution of the bank's assets among its creditors, which it was the design of the section to secure. Under other provisions of the United States statutes, the Comptroller of the Currency may appoint a receiver of a National bank, when he is satisfied it is insolvent, or is in default in the payment of its circulating notes; and it is the duty of the receiver to take possession of the assets of the bank, and collect or otherwise convert them into money, and pay the same into the United States Treasury, subject to the order of the Comptroller, who, after redeeming the outstanding notes of the bank, is required to make a ratable dividend of the balance among its creditors. The purpose of section 5,242 no doubt was to prevent a National bank, when insolvent, or in contemplation of insolvency, from so disposing of its assets as to prevent their proper application to the redemption of its notes in circulation, and the ratable distribution of the remainder among its creditors; and its provisions extend no further than to declare void any disposition by the bank of its choses in action, securities or other assets, made with the view of preventing their application to the payment of its circulating notes, or with a view to prefer one creditor to another; and to prohibit attachments, injunctions, or executions against such bank or its property before final judgment. The section, as we understand it, does not prohibit the allowance of any valid set-off, legal or equitable, which a debtor of a bank may have against any obligation owing to it by him at the time of its insolvency. The allowance of such a set-off is not the creation of a preference, but an ascertainment of the just amount due. To exact the payment of more than that would be unjust, and the section, we think, does not require that to be done. Warner's equitable right of set-off existing at the time of the failure of the Fidelity Bank, and his obligations, having passed to the receiver subject to that right, only the balance due on those obligations after deducting the set-offs constituted assets of the bank in the receiver's hands for disposition in accordance with the provisions of the Federal statutes. Counsel for plaintiff in error cite the case of *Armstrong v. Scott*, 36 Fed. Rep. 63, as maintaining a contrary doctrine. But the later cases of *Snyders v. Armstrong*, 37 Fed. Rep. 18, and *Yardley v. Clothier*, 49 Fed. Rep. 337, after a full review and discussion of many authorities, and a careful consideration of the statutes, decline to follow *Armstrong v. Scott*. Those decisions are in accord with the views we have expressed, and render it unnecessary to enlarge the discussion here. We find no error in the record, and the judgment is affirmed.—*Northeastern Reporter*.

LEGAL MISCELLANY.

NEGOTIABLE INSTRUMENT—CONSIDERATION.—In an action on a note given for the purchase of a bond, the invalidity of such bond on account of non-compliance with statutory requirements in its issue does not constitute a failure of consideration. [*Harvey v. Dale*, Cal.]

NEGOTIABLE INSTRUMENT—EXECUTION.—In an action on a note for money loaned, it appeared that the borrower, at the time of the loan and the exception and delivery of a note signed by himself alone, promised that another would sign as joint maker: *Held*, that the execution and delivery of the note was incomplete until the other had signed, and his subsequent signing bound him, without a new consideration. [*Winders v. Sperry*, Cal.]

PAYMENT—NOTE.—Taking a note for a debt does not operate as full payment, in the absence of an agreement to that effect. [*Price v. Barnes*, Ind.]

CHECK—ACCEPTANCE BY TELEGRAM.—One T., having purchased certain cattle, offered his check for \$22,000 in payment. The teller refused to accept it or part with the cattle until assured that the check would be paid, and therefore telegraphed the drawee, asking if it would pay T.'s check for \$22,000. The drawee answered, "T is good. Send on your paper:" *Held*, that this constituted a contract to pay the check on presentation. [*North Atchison Bank v. Garretson*, U. S. C. C. of App.]

CONTRACT—GUARANTY.—In an action to recover on a contract for services it appeared that plaintiff wrote to defendant making inquiry regarding the financial standing of a person unknown to plaintiff, who wished to employ him, to which defendant replied, "You may rest assured that you will get your pay for all work done": *Held*, that this did not constitute a contract on which defendant was liable as guarantor. [*Switzer v. Baker*, Cal.]

CORPORATIONS—DIRECTORS—DISCOVERY.—A bill was filed by stockholders of a corporation asking an accounting for profits and a discovery as to matters which would appear from the corporation books and papers. The bill did not charge that the books and papers failed to fully and truly show such matters, that plaintiffs were denied access to them, nor that the legal remedy by *mandamus* was inadequate to enforce the right of the stockholders to examine them: *Held*, that, so far as the bill depended on the demand for discovery, it was without equity. [*Wolf v. Underwood*, Ala.]

CORPORATIONS—INSOLVENCY—PREFERENCE.—An insolvent corporation cannot prefer the debts of a member of its governing board. [*Corey v. Wadsworth*, Ala.]

CORPORATIONS—INSOLVENCY—PREFERENCE.—One who has taken the property of an insolvent firm in payment of an indebtedness, and who afterwards transfers the property to a corporation of which he is a member, in exchange for stock, has no valid claim against the assets of the corporation upon its becoming insolvent, until after payment of all other debts. [*Gibson v. Trowbridge Furniture Co.*, Ala.]

NEGOTIABLE INSTRUMENTS—INDORSEMENT ON SUNDAY.—The indorsement of a promissory note is an act within the statute prohibit-

ing secular business on the Sabbath. [*First Nat. of Bar Harbor v. Kingsley, Me.*]

NEGOTIABLE INSTRUMENT—INTOXICATION AS DEFENSE.—A negotiable note, signed by the maker while in a state of intoxication, cannot be avoided when in the hands of a *bona fide* purchaser before maturity. [*Smith v. Williamson, Utah.*]

TAXATION—PROMISSORY NOTES.—Negotiable promissory notes, secured by mortgage on land situated in a county other than that of the owner's residence, and held by an agent for collection and re-investment, are taxable to the owner at his residence, rather than at the *situs* of the property. [*Boyd v. City of Selma, Ala.*]

BONDS—CASHIER.—Where a cashier admits having received certain money belonging to his employer, but fails to show any entry on the books charging himself therewith, or to account for it in any way, his mere assertion that he has retained no money is not enough to justify a verdict in his favor, in an action on his official bond. [*Union Pac. Ry. Co. v. Pratt, Iowa.*]

CORPORATIONS—SUBSCRIPTION FOR STOCK.—Where the subscription contract of a proposed corporation fixes the capital stock at a certain sum as \$4,000, divided into shares of \$100 each, the whole amount of capital so fixed must be fully secured by a *bona fide* subscription, before an action will lie upon the personal contract of the subscribers to the stock to recover an assessment on the several shares, unless there is a provision in the subscription contract to proceed in the execution of the main design before the whole amount of capital is subscribed. [*Hards v. Platte Valley Imp. Co., Neb.*]

NEGOTIABLE INSTRUMENT—CONVERSION.—The owner of a promissory note, of which another fraudulently obtains possession, and which he converts to his own use by suing it to judgment and collecting the amount due thereon, may, in an action of trover, recover from the latter the value of the note, notwithstanding such suit and judgment, and the collection thereof, and notwithstanding the plaintiff had knowledge of these facts before bringing suit. [*Rushin v. Tharpe, Ga.*]

NEGOTIABLE INSTRUMENT—EXECUTION—RATIFICATION.—The execution of a note in one's name without his authority is ratified by his subsequent execution of a mortgage, in which the note is substantially described, made to secure it. [*Bell v. Waudby, Wash.*]

NEGOTIABLE INSTRUMENT—PART PAYMENT—CHECK.—Where the payee of a note receives a check or draft drawn in favor of the maker of the note, and properly indorsed for collection and application on it, he is bound to allow the credit, unless, on failure of the obligor to make payment, he give due notice of its dishonor to the indorser. [*Murphy v. Phelps, Mont.*]

NEGOTIABLE INSTRUMENT—USURY.—Where usury is pleaded to an action on a promissory note, deeds of even date with the note, and executed to vest title in the lender as security for the loan, are admissible in evidence for the plaintiff to show the intention of the parties as to the real *situs* of the contract, and what State or country they had reference to in fixing the rate of interest. [*Jackson v. American Mortgage Co. of Scotland, Ga.*]

BANK STOCK—UNPAID CERTIFICATES.—Where the prospective vice-president and manager of a bank not yet established issues and delivers to the prospective cashier unpaid certificates of stock in such bank, and the latter fraudulently procures a personal loan on the stock from a bank that has not sufficient knowledge of the facts to put it on inquiry,

such prospective vice-president is personally liable in an action by the lender for the amount of the loan. [*Merchants' Nat. Bank of Kansas City v. Robison*, Utah.]

CORPORATION—USURY.—Where an agent of a foreign loaning corporation is acting under a contract therewith which provides that "all commissions on loans by the company, and all bonuses payable by borrowers in respect to such loans, shall belong to the company," he is presumed to be acting for the company in collecting commissions on loans in excess of lawful interest, when the company has knowledge of each step taken by him in their negotiation, although the agent receives the exclusive benefit of the commission. [*Scottish Mortgage & Land Investment Co., Limited, v. McBroom*, N. Mex.]

NEGOTIABLE INSTRUMENT—ESTOPPEL.—In a suit on a note signed by defendant as surety for a third person, to whom plaintiff was about to make a loan, defense was made that the note was altered without defendant's consent by the addition of a clause providing that it should bear interest at 8 per cent. It appeared that, when plaintiff's agent was about to pay the money on the note, he observed the absence of any interest clause, and told defendant and the borrower that, under his principal's instructions, he could not pay the money unless there was a provision for interest at 8 per cent.; and the interest clause was then added by the borrower, in the presence of defendant, who raised no objection, and the money was then paid: *Held*, that defendant was estopped from denying his consent to the alteration. [*Sanders v. Bagwell*, S. Car.]

NEGOTIABLE INSTRUMENT—FALSE REPRESENTATIONS—SUBSCRIPTION.—To an action upon promissory notes given to a railroad company as a subscription for stock therein, pleas to the effect that the company's agent who procured the subscription did so by representing that the road would be economically built, that the stock would be a good investment and would pay dividends, and by making other like representations, and that all these representations proved to be untrue, set forth no valid defense, and were properly stricken on demurrer. [*Weston v. Columbus Southern Ry. Co.*, Ga.]

NEGOTIABLE INSTRUMENT—INDORSEMENT.—The payee of a negotiable promise in writing, who transfers the same by indorsement, thereby guaranties both the genuineness of the writing and the validity of the promise. [*Willis v. French*, Me.]

EXPERIENCE OF A PAYING TELLER.

The daily life of a paying teller in a city bank can scarcely be called exciting. And yet, he handles millions of money and has to face all sorts and conditions of men; youth, age, guilt, guiltlessness, honesty, and knavery, all framing themselves in his little wicket window during the hours from 10 to 3. The latter apparition, however, is comparatively infrequent, and months and even years glide by in unbroken routine. The "works" of a well-regulated bank are automatic, wound up every night like a clock, to go a certain number of hours without stopping. This prevents mistakes and insures monotony. Monotony, in fact, may be said to prevail among bank counters, although a good lively panic or a sudden epidemic of fraud will do much to scatter it. Even an enterprising forger has been known to keep desks from stagnation while adding interest and bitterness to life. But there are pleasanter interruptions than these to the monotonous money handling, as a recent conversation with an experienced paying teller in a city bank will show. "One day," said he, "a practical joker whipped something out of the pocket of his sack coat and thrust it through the window with the request that I should 'cash it.' I did not attend to him for a moment, but was considerably startled upon looking up to find that the 'it' was not a check, but a live young alligator, one of my pet aversions, by the way, which moved its head from side to side and eyed me in the most disgusting manner. I recognized in the owner's 'Did you think you had 'em again?' the formula with which he had favored his friends when presenting this importation from Florida. The next day I learned that the reptile had very properly caught cold and died.

"Besides cigars and the usual small courtesies which fall to the teller's lot, a big east side butcher once made me a present of a quite unique sort, passing in a little oblong box, neatly tied up with gilt and tissue paper, and which, when opened, disclosed the tail of a freshly-slaughtered pig. This charming little memento went quickly into the waste basket, while the donor and his worthy confreres roared ecstatically, and seemed to think they had gotten up an awfully funny show, and I really hadn't the heart to spoil their enjoyment. It was very good German wit, I suppose.

"There is one anecdote which I listen to something like once a fortnight, and of which every paying teller is called to hear innumerable versions. It is old, of course, older than the Clearing House or the Banking Department; perhaps it dates back to the Chinese, who seem to have the call on antiquities, and besides, are a humorless people. The story is about as funny as the report of the Controller of the Currency. There are variations of the tale, but here is the ground plan. 'I s'pose you don't rectify mistakes after leaving the counter.' 'I never said so.' 'Oh, well, perhaps not, but I'll tell you what happened to me at the — Bank. I drew some money there one time, and when I got home I counted it over and found that it was wrong, so I took it right back to the bank and told them they had made a mistake. The teller there, a consequential sort of chap, pushed the money back to me and said, 'No claims allowed, sir, after leaving the bank.' 'Oh, all right,' said I, 'you paid me \$50 over, that's all. Good day!'

"Good stories, like good children, sometimes die young. Perhaps

because this never was a good one, not even in the earliest dew of its youth, it seems endowed with immortality. Only the other day a New York paper put it into type with brilliant variations. This time it was some bank in Nassau street, where the autocratic teller similarly repulsed a heavy capitalist, with whom, it was charitably presumed, he was unacquainted. The way in which the great man enlightened and afterward utterly abased and extinguished that high-handed money slinger was quite touching to see; then, being a very honest person, he returned the \$500 or \$5,000 which had been overpaid him.

"We hear much of immaculate cashiers and bookkeepers who spend weeks and months searching for trifling discrepancies, for these exploits are supposed to interest us. I always approve of such reminiscences, although they are generally not true, and add one or two of my own to keep up the standard of the profession. Working till 11 or 12 o'clock at night to find a nickel or a dime adds immensely to the pleasure and profit of our labors. The truth is, where one is handling large sums of money, and has constantly to be on his guard against forgeries, worthless checks, and frauds of every description, there is little time to devote to these elegancies of accounting. Ben Franklin's saying reversed is the safest rule for the paying teller. Look after the dollars and the cents will look after themselves.

"Many people never will understand or remember the rule concerning identification, which is, that a person presenting a check payable to order must be known to the teller in order to draw the money. If a stranger, then he must in some way establish his identity, either by introduction or indorsement. That this perfectly reasonable regulation frequently discommodes people there can be no doubt, and discommoded human nature is very prone to get mad and discover some cause of personal affront where none is intended. Very common is a conversation like this: 'Why can't I draw the money on this check?' 'Because I don't know you.' 'I don't know you, either. What's that got to do with it?' 'The rule is that on all checks payable to order the person must be identified; must make himself known.' 'Nonsense! I got that check from Mr. Swiftly just now; that's his writing, ain't it?' 'Certainly.' 'Well, what more do you want?' 'If I certify the check, will you be able to use it then?' 'What good will that do me? I want the money, I tell you!' 'Then you must make yourself known.' 'Known! Great Scott! Every one around here knows me. I was in business in this city before you or your bank were ever heard of.' Which remark is supposed to be a crusher.

"A prominent bank president of this city, who also served his apprenticeship at a teller's window, while careful to explain the whys and wherefores when the case was one of evident ignorance, was much given to caustic rejoinders when his patience was too heavily taxed. One day an unusually pompous and self-important person, or personage, as he evidently considered himself, presented a check which was payable to order. As will sometimes happen to the very greatest of men, he found himself unknown and the money on the check refused. Vast was his astonishment and indignation. He could not understand it. 'But the rule is for your own protection. Suppose the check had been lost, then, don't you see, only the right person could get the money.' No, he didn't see. 'Do you mean to tell me, then, that I am not the one properly authorized to receive this money?' 'No.' 'Then why do you refuse payment?' 'I have explained several times already; because I don't know you.' 'Well, it's pretty small business. Now, look at me, sir. Would any one be likely to take me for a confidence man or a swindler?' The teller gazed long and attentively, while the wrathful but unrecog-

nized great man glared annihilation at him through the brass window bars, and then remarked, in his dryest, quietest tone : ' Well, all I've got to say is, I've seen better-looking men than you in Sing Sing.' This closed the interview.

"On the whole, however, bank manners are good. Something of the old-time prestige still clings to the business, a certain dignity attaching to the custody of large amounts of money. Besides, the outsider who gets angry is at great disadvantage, for he can only talk through a small grated window at the clerks who are perfectly secure from his wrath, protected by oak and plate-glass bulwarks, and with all the money and moral support of the bank behind them. I am often amazed as well as amused at the serene confidence which many people repose in a check. This simple form, which anybody can fill up and sign, has only to be presented by anybody at any bank, and the vault doors, they think, ought instantly to fly open. This, of course, is not so, nor are banks mysteriously connected with each other by underground passages or otherwise, as I have explained a thousand or more times, to persons who supposed that their checks on Idaho or Washington or Winnipeg could be cashed at any bank.

"Many of the checks drawn upon our suburban banks by illiterate butchers, grocers, horse dealers, and the like are marvels of chirography and misspelling. Sometimes the teller has to write the draft for them, and witness while they affix their mark to the document. The confidence of such people in the bank is generally unbounded. Once I said to the gorgeously-appareled wife of a wealthy builder, 'You will have to indorse this check, madam.' 'What's that ye say?' Rich as were her coverings, her brogue was richer still. 'Write your name across the back of the check.' 'Write me name across the paper, is it?' I only wish to God I could, thin.' A pavement contractor boorishly refused to fill in the date of a check which he presented. 'Will you please date this check, Mr. Fatthing?' 'I'll not.' 'Only just write the date up in the corner.' 'Write it yerself, and shut up yer mouth.' He could write, it seems, but only his own name, and at the bottom of the check were the half-dozen strokes which his confidential clerk had taught him to append as his signature. Thus he was enabled to sign those big warrants on the city's treasury, for, though his penmanship was weak, his political pull was strong, strong and long, now these many years.

"Forgeries and 'raised' checks are the two ghosts which haunt a paying teller's existence. They are always before him, and sometimes, alas! behind him—paid, that is, and buried in the dark recesses of the vault, where they await a sure and fearful resurrection. Imitation of handwriting is one of the easiest of accomplishments, and, considering the immense sums disbursed daily at bank counters upon simple signatures, the hundreds lost out of the thousands paid are comparatively small. Many think to thwart the forger by joining their initials in some odd manner or adding an extra twist to their penmanship. This is a great mistake. Characteristic handwriting, so called, is much more readily copied than simple, commonplace chirography, just as a face with prominent features is easier to draw. A word or a few lines added or erased is often sufficient to raise a check from a smaller to a greater amount, while a simple acid will totally efface the original figures, for which a larger sum may be readily substituted.

"The genuineness of a check is largely determined by the circumstances attending its presentation. By far the greater number come through the Clearing House from other banks where they are deposited or cashed, and which banks guarantee their indorsements, and here the risk is comparatively small. Those presented at the window are care-

fully scrutinized, not only the handwriting, but the character of the bearer, as well as the peculiarity of the customer's account, being taken into consideration. There is such a disposition with most bank accounts to run into grooves that anything out of the usual run is noted at once, familiarity with a dealer's habits frequently leading to the detection of irregularities.

"A man's bank account is a sort of index to his whole business. It shows with whom he is dealing, what are the sources of his income, and when and how he makes his payments. It reveals the amount of his personal expenditures, and whether he is a borrower or lender, rash or conservative; how much real estate he is holding, and what it costs him to carry it, almost everything, in short, concerning his financial affairs. Needless to add, the knowledge thus obtained is held sacred.

"Perfectly innocent persons are often induced to present bogus checks, and sometimes unconsciously give away the whole scheme. Boys used for this purpose are especially apt to blurt out the truth the very first thing, and tell how a nice, pleasant man around the corner has given them a quarter to go and draw the money at the bank. It is hardly worth the while, in such instances, to give the money to the lad and follow him, as before that time the obliging man will generally have vanished.

"Many of the forgeries coming under my notice were committed by the sons of the men whose handwriting they copied. Sons, nephews, trusted clerks, they of a man's own household, are too often those upon whom suspicion rightly falls. Such cases seldom or never come to the knowledge of the public, and sometimes are not even known to the bank, the checks being quietly accepted by their reputed signers as regular charges against their accounts. Pathetic scenes are witnessed behind bank railings when the evidence of crime confronts both author and victim. Blanched faces, trembling lips, shame and bitter tears, oftener from the wronged and innocent ones than from the culprit himself. The sister of a young fellow caught almost in the very act of forgery, once appealed to the president of the bank to save her brother from disgrace. She pleaded so successfully that the president, who was a grandfatherly sort of person with a large family, soon weakened and turned her over to the cashier. Now, the cashier was a determined man, but he also had two boys of his own, and he finally succumbed and sent her to his principal director, who was supposed to be absolutely relentless, and, besides, was a bachelor. The director turned a cold eye on the plucky and devoted girl, but in the end he, too, gave way, and the boy went free. Then it appeared that this was the last of a succession of similar scrapes from which she had extricated him. It would be pleasant to add that this sisterly devotion was the means of his reclamation, but such was not the case. Born for a convict's dress, he soon again fell into crime and wore the striped prison suit in spite of her.

"Some fine morning the bank examiner and his assistants are found on the front steps waiting for the doors to open. They are early birds usually, and get their work well under way before the current business of the day begins. These officials, from Albany or Washington, as the case may be, according as the institution is State or National, are genial gentlemen, fully alive to the difficulties and dangers of practical banking, and in no wise given to unnecessary fault-finding. They very properly consider it no part of their duty to search for ink blots or hold an inquest over half a dozen missing dimes or nickels, but simply satisfy themselves that there is no serious discrepancy between the contents of the money vault and the figures of the ledger. When there is a hitch between the two doubtless they know how to make things very unpleas-

ant, but of this I cannot speak from personal experience. As the custodian of the available cash of the bank, the accounts of the paying teller are gone through first. Notes, specie, and checks, everything counted and found to be in order, a little pleasant gossip is exchanged, the examiner affixes his initials to the teller's proof book, compliments the teller himself upon the accuracy of his figures, while the teller in turn expresses his satisfaction, and assures the autocrat that he will count every dollar over again after he is gone, to make sure of him. This is his little annual joke at the expense of the examiner, who always laughs just as if he had never heard it before, and passes on to 'do up' the other departments. Routine wit usually goes with routine work.

"The work of the paying teller is necessarily confining, nor is any other duty usually expected of him than that of paying out money. This is his special function; so much so, indeed, that the occupancy of the highest clerical position does not always carry promotion into official ranks. Many of our city paying tellers are fixtures, better known among the customers of banks they have served for a generation than the presidents themselves. Arriving at his desk at a moderately early hour, he is through by 3.30 or 4 in the afternoon, and, unless there is a 'difference' to hunt up in his cash, is at liberty for the day. The bookkeepers are still busy over their ledgers, and even the officers are often at work when the paying teller puts on his hat and coat and walks forth, a free man. This is the pleasant side of his vocation; he may walk, drive, ride on a bicycle, or go home and read two hours earlier than a clerk in a commercial house.

"But some day, perchance, he unluckily passes a wrong check, or pays too much money on a right one; or there is a panic in the Street, and the bottom drops out of the market, and banks and firms begin to drop out with it. Then truly is his sky clouded, and he becomes steeped to the very vitals in suspicion. The pleasant path of his daily routine has led him over a mine. Stocks and securities are like the very ground under him, and now they are melting away beneath his feet. When he goes home he tells his wife that he wishes he had never seen the inside of a bank, and that he ought to have grown up with a wholesale house, a career that somehow always seems to open to vast possibilities. After all, a paying teller's virtues as well as successes are mostly negative ones, and so far as appreciation of his labors is concerned, he must look at it from the point of view recommended by Dr. Johnston to dictionary makers and consider himself quite fortunate if only he can succeed in escaping blame."—*New York Times*.

To this article the following communication from a bank officer of forty-five years experience, which appeared in the *Boston Globe*, may be read with profit:

The article states that a man applied to the teller to rectify a mistake, and received for an answer: "No claims are allowed after leaving the bank."

Now, how very foolish on the part of a teller to make such an answer. He does not know if the customer is going to make a claim upon him for short payment or to return an amount overpaid. The customer merely states that a mistake has been made and asks to have it rectified. Would any teller possessing common sense give such an answer? It is totally unreasonable.

In regard to the custom of a person having to be identified when presenting a check, it is very hard to convince some that it is for their security as well as that of the bank.

An instance of the efficacy of such a custom took place while I was

in the office of teller. A man came into the bank, very much excited, and asked if I had paid a check which was drawn on us by one of the country banks for \$3,000. He said it was payable to his order, and, after indorsing it, he had lost the check. I told him no, we had not paid any such check, and should not have paid it if he had presented it himself without being identified. "Is that your custom?" asked he. I told him it was, and he replied, "Thank God!" and went away in much better spirits than when he entered the bank.

Another instance wherein the man ought to have known better, as he was a director in one of our largest banks; he sent up a small boy with a check on us for over \$2,000. I refused to pay it to him. He went away, and soon returned with the message from the owner, "That if I did not pay the boy he would come himself and draw the specie." I sent word that I would very willingly pay him the specie, but that I could not pay the boy.

He came up very much enraged and would not be convinced that I was right. I said, "Suppose someone had taken that check from your desk, or the person you had sent to draw it had dropped it in the street, and a stranger had brought it into the bank, and I had paid it; would you not have said I was a very careless fellow and unfit for my position? Whenever you have a check upon us, if you will send word to us what the amount is and if you will have it in specie or bills, I will send our messenger down with the amount."

"Oh," he said, "I do not wish to put you to that trouble," and went away, satisfied, I have no doubt, that I was right, though he would not acknowledge it.

THE MORALS OF BANKING.

When the subject of this editorial was mentioned to a business man, he laughingly asked, "Are there any morals of banking?" That question, although lightly asked, and with no serious conviction to prompt it, indicates the need of some discussion of the subject. The foundation of successful banking is public confidence. Whatever shakes that confidence not only brings unrest and trouble to the general public, but also makes it more difficult for honorable bankers to do their work. Bankers, in some ways, are like ministers. Compared with the whole number of citizens, they are few in number. They are judged by the highest standard of rectitude. Any mistake, error of judgment, weakness of purpose, yielding to temptation, or deliberate crime, is noted, commented upon, and seems worse than similar defects in citizens who have no official relations with the public. When, then, the officer of a bank which has been carried on in ways accounted dishonorable says, "All banks are managed in that way," a thrill of suspicion runs through the community. Those who have property from which their sole income is derived, but who have little knowledge of business, too quickly believe that nobody can be trusted.

We asked a banker what guarantee the public had that the affairs of any bank would be managed on sound principles. His reply was, "Nothing but the character of its officers." Laws, however well made, are capable of evasion. When the officers, directors, and favorite customers of any bank wish to use the bank for selfish purposes, they will find means of evading the spirit while complying with all the technical provisions of the law. We asked, "What is the difference between good banking and bad?" The reply was: "Good banking is carried on in the interest of the public. Bad banking is for the selfish purposes of those

who control the bank." Of course, in any given case the public cannot know, bank examiners even cannot know, what spirit animates those who control the operations of a bank; and yet there is something in the air which leads the banking world to a very fair estimate of the character of any one of its members. Judging from long experience with officers of banking institutions and trust companies, probably any Unitarian minister would say that they were, almost without exception, among the most reputable and trustworthy members of his congregation. It has commonly been a matter of pride with us that in the long line of bankers in our list of laymen disgraceful conduct was almost unknown.

Forty years ago, Lorenzo Sabine, well known among us for his personal loyalty to every good cause, published an essay, entitled "Suggestions to Young Cashiers on the Duties of their Profession." We found that this paper had been used ever since in a well-known bank as a sort of general instruction for young bank officers to the duties of their profession. Reading it, we were struck with the high moral tone of the essay. In it is described a man who living up to the teaching, would be almost a perfect citizen.

The particular occasion for distrust just now is the assertion that all banks lend money in excess of the limitation imposed by law, by causing notes to be signed by irresponsible persons, and indorsed by those who wish to draw the money. The law requires every bank to limit its loans to any one person or company to one-tenth of its capital; that is to say, if the capital be four hundred thousand dollars, no person or firm should be allowed to borrow more than forty thousand dollars. The paper should be made good by two names besides the drawer. It is, evidently, easy enough to draw notes which will meet the provisions of the law without giving the necessary security to the bank. If A. B. has borrowed forty thousand dollars, with C. D. and E. F. as indorsers of his note, it is easy enough to make another note for ten thousand dollars to be signed by E. F. and indorsed by A. B. and C. D. or by other and unknown persons. Asking reputable bankers how far such practices were common, or if there were anything in the common practice of good banks on which a charge could be based, the reply was that it was good banking to serve the needs of the customers, ample security being given to the bank, but never good banking to use funds for the selfish purposes of the directors.

We have found a difference of opinion among bankers of good repute as to whether certain practices were strictly legal or not. For instance, suppose a firm having large resources should need, during one month of the year, to purchase supplies requiring a large expenditure. The firm has borrowed in its own name up to the limit allowed. Suppose it should ask to borrow ten thousand dollars, offering to deposit United States bonds for twice the amount, could the bank lawfully lend the ten thousand dollars? One banker says, "No"; another banker says, "Yes; the bank has the right to buy those bonds, to hold them for a definite time, and sell them back again to the firm offering them." The question was referred to an officer of the Treasury. His reply was, in general, that the intent of the law was to prevent any single person or firm from absorbing too large a proportion of the means of the bank. The bank is regarded as a public institution. Its benefits should be distributed as widely as possible. His opinion was that, when any person, firm, or corporation had borrowed ten per cent. of the bank's capital, not another dollar could properly be loaned to that person, firm, or corporation. "The bank officers permitting it are violating the law, even though the bank may hold two dollars in gold as collateral for every dollar so unlawfully lent out."

The bank officers, accepting that opinion as final, would refuse to lend additional sums on any security to a firm offering, for example, a note made by a bookkeeper and indorsed by members of the firm. Another bank officer says such an opinion represents the most extreme position, and is not required for good banking.

One remark current on the street is that, "If the directors own the bank, they have the right to the use of the funds." This might be true, were there no stockholders who were not directors, and no depositors. Unless they could have the use and control of the money of other people, the directors of a bank would have no occasion for the institution. All banks are trust companies. Millions of dollars flow under the hands of bank officers, and both stockholders and depositors have the right to some assurance that their money will be carefully guarded, and that the bank will represent the interests of the public. The directors are regarded as guardians of the interests of innumerable people who do not know how to protect themselves.

The morals of banking are one thing, the morals of bankers may be quite another; and the history of the wrecks of banks and the ruin of bankers, during the years since the war, shows, in almost every case, that the temptation comes to bankers, as to other men, out of the inordinate desire for wealth, and the inability to be content with the legitimate income of a bank officer. All persons who depend upon a fixed salary for a livelihood must, to have peace of mind and to avoid temptation, learn to be content with that income. Speculation does not properly come within the business of a banker, and no man who uses the money of a bank for private purposes of speculation can be safe from ruin. Long and friendly observation of bankers has, however, convinced us that, to a remarkable degree, they are worthy of confidence. "Strict justice and the rigid performance of contracts" are a proper foundation of good banking. One sentence may be quoted from Mr. Sabine's essay, because it throws a flood of light upon the inner life of a good bank. He says:

"The road to disgrace is short. Persons who have traced the footsteps of more than one unhappy bank officer that has trodden it have found that extravagance and defalcation were but a few strides apart. The sensual man is disqualified by his very physical organization for any office in the executive department of a bank, and ought no more to be there than in a pulpit."

It is not necessary for us to use valuable space in condemning those practices which shock and alarm the public, because everybody already condemns them. It is not necessary to warn reputable bankers against them, because they already deny that such practices are common. They deny, also, that the banks and bankers who practice such things are held in good repute by their fellows. They deny that such things are anywhere regarded as good banking, however "smart" they may be. Temporary success may come in that way, but permanent ruin is not far behind. The business world is slowly learning that confidence and mutual service are the permanent foundations of successful business of any kind. Whatever institution adds to the general sense of security, and makes the common income larger and safer, becomes the friend of every man, and in time reaps the reward of the general confidence.—*The Christian Register*.

BANK BILLS IN FRANCE.

THE ARMY OF PEOPLE EMPLOYED IN THEIR MANUFACTURE.

All bills are issued by the Bank of France, which carries on the whole process of manufacture, including even that of the paper on which they are printed and the ink used. The paper factory is at La Ferte-sous-Jouarre, where linen rags are so treated as to produce a paper of a peculiar quality. This special paper is made, inspected, cut into sheets, and shipped to Paris under the care of two of the bank officials, who are held responsible for every sheet.

The sheets are packed in bundles of 1,000 each, and are printed in the basement of the bank building in Paris. As with the blank paper, the bills, in every stage of fabrication, are in charge of some official, who must account for every one which has come into his hands, either by showing it or a receipt given for it by the official to whom he has handed it over. As the bank has sometimes printed 400,000 bills a day, and at such periods employs about four hundred persons in the printing department, strict accounts are necessary to prevent loss, and an elaborate system of numbering and checking is used.

A series of bills consists of 1,000, which are numbered from 1 to 1,000, and twenty-five series, lettered A, B, C, etc., and tied up together, under the name of an "alphabet." After each operation the bills are verified by women, who sign their names on the band placed around the bundles. As there are nine operations there must be nine verifications, and the final verification is repeated by a fresh set of inspectors, so that nothing can be overlooked. After the bills are complete they are delivered to the secretary of the bank, who examines them and gives a receipt for them, discharging the head of the printing department from further responsibility. They are then placed in the vaults, and are withdrawn for issue only by order of the governors of the bank.

The principal difficulty in regulating the accounts comes from the defective bills. No bill is allowed to pass the inspectors which shows a spot, an uneven margin, a defect in printing, or any other imperfection, and the bills thrown out must be recorded in the books with quite as much accuracy as those which pass successfully to the final stage. Every bill rejected by the inspectors is stamped, and its place in the series filled by a check. The stamped bills go to the secretary of the bank, who puts them under lock and key, and new bills, corresponding to the checks, are printed, and credit is given to the paper manufactory for the paper necessary to make these.

The accounts of the "faulted" bills are carried through the books, and, for verification, the stamped bills themselves are kept for five years. At the end of that time, if there has been no question about them, the regents of the bank, the secretary, the examiners, the chiefs of the printing departments, and the chiefs of the department of bill accounts, join in signing an order, in pursuance of which they are taken from the vaults and destroyed.—*Le Geine Cirile*.

POST OFFICE SAVINGS BANK OF GREAT BRITAIN.

In an early number of this journal we devoted several pages to the subject of savings banks, and gave an account of the working of the then recently established and still flourishing Edinburgh Savings Bank. We directed attention to the absurdity of using the plural number in describing these institutions, but our protest was too late, and the etymological blunder has been perpetuated in Acts of Parliament as well as in the usage of every-day life. Wherever English is spoken, banks for savings are called savings banks, though in other languages they are more correctly designated. The Germans have their *Sparkassen*, the French their *caisses d'épargne*, and the Italians their *casse di risparmio*. Each of these nations claims the honor of having originated savings banks. The claim of Italy rests upon the doubtful assumption that the *monti di pietà*, founded by St. Bernardino of Siena in the fifteenth century, were banks rather than pawnshops. The claim of Germany is better supported. A savings bank was established at Hamburg at least as early as the year 1780, and considerable sums of money were deposited, but when Napoleon invaded Germany he confiscated the whole of them. In Switzerland savings banks were founded at Berne, Basle, and Geneva, between 1787 and 1794. In England two savings banks were in existence before the close of the eighteenth century, at Tottenham and at Wendover in Buckinghamshire. The first was started for women and children by Mrs. Priscilla Wakefield, a benevolent inhabitant of the village, and its scope was gradually enlarged. In 1804 it was more fully organized; Mr. Eardley Wilmot, M. P., became one of the trustees, and it continued until 1866, when the deposits were transferred to the Post-office Savings Bank. About the same time that Mrs. Wakefield began her club the Reverend Joseph Smith, vicar of Wendover, invited his parishioners to intrust to him for safe keeping any money they could spare in sums of not less than twopence. He undertook to keep an exact account of all moneys he received, and repay them with interest at Christmas, or earlier, if necessary, and, by way of encouragement to depositors, he gave them a dinner once a year. The bank was open on Sunday evenings, apparently to afford the parishioners an opportunity of obeying St. Paul's injunction to the church at Corinth: "Upon the first day of the week let every one of you lay by him in store." The Wendover bank existed for several years, and had about sixty subscribers, who invested from five to ten pounds apiece every season.

The example of Tottenham and Wendover was quickly followed in other places. Many eminent persons took up the idea of savings banks, and assisted in founding and managing them. Lord Lansdowne was president of the Bath Savings Bank, which was begun in 1808 by Lady Isabella Douglas; Mr. George Rose established the Southampton Savings Bank in 1815, and Sir John Acland the Exeter and Devon Savings Bank in the following year. These banks, and many others started about the same time, were purely voluntary associations, and had no special legal sanction or protection. As early, however, as 1807, Mr. Whitbread, in the course of a long and able speech on the poor laws, suggested the formation of a National Savings Bank. His plan was so bold that we think it well to give it in his own words:

"I beg honorable gentlemen not to start at what I am about to sug-

gest, which to many who hear me may be quite new. I would propose the establishment of one great national institution in the nature of a bank for the use and advantage of the laboring classes alone; that it should be placed in the metropolis, and be under the control and management of proper persons; that every man who shall be certified by one justice of the peace to subsist on the wages of his own labor shall be at liberty to remit any sum from 20s. upwards, but not exceeding £20 in any one year, and not more than £200 in the whole."

The money was to be remitted, "with the intervention of the Post-office," for investment in Government stock, in the names of commissioners appointed for the purpose. Mr. Whitbread also proposed to afford facilities for the purchase of small annuities and for the insurance of lives within certain limits; but he was not successful in persuading the House of Commons to sanction his plan, which was in abeyance for nearly half a century, and he could hardly have foreseen the tremendous impetus it would, when adopted, give to thrift and economy, or that a bank founded on the lines he laid down would, in the course of thirty years, receive from depositors more than £300,000,000, and hold, at the end of that period, £71,000,000, belonging to 5,100,000 persons, in addition to £5,000,000 specially invested in Government stock.

In 1816 an unsuccessful attempt was made to place savings banks on a definite legal basis, and in the following year the earliest Savings Bank Act was passed, chiefly through the instrumentality of Mr. Rose. Mr. Wilberforce and other supporters of the measure indulged in very extravagant hopes of its consequences, anticipating that in a few years pauperism would be extinguished and poor rates cease. On the other hand, Lord Milton warned the supporters of savings banks not to expect too much; and Mr. Thomas Attwood declared they were a nuisance, and would "become a screw in the hands of Government to fix down the working classes to the system." Outside Parliament many of the supporters of friendly societies strongly objected to legislating in the interest of savings banks, under a mistaken notion that the two institutions must be eventually antagonistic. William Cobbett, in a characteristic protest addressed to "old George Rose," denounced savings banks as the most ridiculous project that ever entered the mind of man. As we recall these criticisms, we may, perhaps, be permitted to make a short quotation from the article already referred to, which has been fully justified by the experience of three-quarters of a century, and still expresses our views: "The spread of savings banks is of far more importance, and far more likely to increase the happiness, and even the greatness, of the nation than the most brilliant success of its arms, or the most stupendous improvements of its trade or its agriculture."

Under the Act of 1817 any depositor could invest in a savings bank £100 in the first year, and £50 in any subsequent year. The trustees were required to pay over all moneys they received to the Bank of England to the account of the commissioners for the reduction of the national debt, who were empowered to allow interest at the rate of 3d. per cent. per diem, or £4 11s. 3d. per annum. It is little to the credit of Lord Liverpool's administration, or of Parliament, that these provisions should have been embodied in the Act. Consols only yielded about £3 5s. per cent. per annum, and no working man could lay by £100, or even £50, a year. Savings banks were rapidly established, and within a year there were 227 in England and Wales. In Scotland and Ireland there were nearly as many. A separate measure for the latter country had been passed concurrently with the English Act, though, in consequence of the opposition of some Scotch savings banks, neither Act was extended to them. Money came pouring in, not so much from

the wage-earning classes as from the well-to-do, who speedily discovered they could obtain higher interest from savings banks than from direct investments in Government stock. The acts restricted the amount to be deposited, but Parliament had omitted to attach any penalty to deposits in excess of the limits, and unscrupulous persons, often with the connivance of savings bank managers, systematically invested large sums of money. One man deposited, in the names of his six children, several thousand pounds; deposits were also frequently made in assumed names, or merely under a number without any name. An attempt was made in 1818 to stop these abuses, but nothing was done until 1824, when the Chancellor of the Exchequer (Mr. Robinson) carried a bill reducing the limits of deposits to £50 the first year, £30 in subsequent years, and fixing the total amount to the credit of a depositor at £200, inclusive of interest. To prevent evasion of these limits, intending depositors were required to sign a declaration that they had no interest in a savings bank account. It was at first proposed that the signature should be in the depositor's own handwriting, but, as such a provision would have prevented persons unable to write from using savings banks, it was not insisted upon, and those who could not write their names were allowed to affix their marks to the declaration.

In 1824 there was already a deficiency in the funds held by the National Debt Commissioners on account of savings banks. The deficiency was caused by the too liberal interest allowed by the acts of 1817, and, although it was rapidly growing, no steps were then taken to reduce it. In 1817 the loss was £12,000; in 1824 it was £88,000, and in 1828 £160,000. Mr. Joseph Hume on several occasions called attention to this loss, and in 1828 he succeeded in alarming the Chancellor of the Exchequer, but the reconstruction of the Duke of Wellington's administration, after the withdrawal of Mr. Canning's friends, caused a further delay in dealing with the matter. In June, 1828, however, a bill was introduced into the House of Commons to consolidate and amend the law, which, after considerable discussion, was added to the statute book and continued with few subsequent modifications to be the governing statute of savings banks until 1863. The annual limit of deposits was definitely fixed at £30, and the total limit at £150, but interest might continue to accrue until the amount due to a depositor reached £200. To insure uniformity and compliance with the law, the rules of all savings banks were directed to be certified by a barrister appointed for the purpose, who also acted as arbitrator in disputes concerning deposits, and whose powers in this respect were to be outside the jurisdiction of the courts of law. This appointment was conferred upon the late Mr. Tidd Pratt, and he held it for forty years, to the great advantage of savings banks generally. The bill also reduced the interest paid by the National Debt Commissioners from 3d. to 2½d. per diem, but no attempt was made to deal with the already large deficiency in the savings bank funds held by the commissioners. It was expected that the reduction of the interest would at least prevent further loss, but the expectation was not realized, and the deficiency continued to grow. In 1844 Mr. Goulburn reduced the interest paid by the commissioners to £3 5s. per cent. per annum, and in 1880 Mr. Gladstone made a further reduction of 5s. per cent. At that date the deficiency in the savings bank funds, which amounted to £744,000 in 1828 and to £1,948,000 in 1844, had risen to £3,565,000, although Sir Stafford Northcote had made an arrangement in 1877 under which an annual vote was granted to defray the excess of interest paid by the National Debt Commissioners. Mr. Gladstone in 1880 not only lowered the interest, but extinguished the deficiency by the creation of a terminable annuity of £83,762, to run

until 1908. In 1888 Mr. Goschen again reduced the interest to £2 15s. per cent. per annum, as a necessary consequence of the alteration in the interest on consols, and it may reasonably be hoped that savings banks will henceforth be conducted without further loss to the nation.

It would not be fair to impute the whole of the loss incurred in the management of the funds held by the National Debt Commissioners on account of savings banks to the trustees and other officers of those institutions; and the loss was more than counterbalanced, in the opinion of Mr. Gladstone, by the use successive administrations had been able to make of the money. But there were other drawbacks to the savings banks in existence before 1861, which for a long time appeared irremediable. In that year the total number of savings banks in the United Kingdom was 638, and their capital was £41,500,000. There were 498 savings banks in England, 33 in Wales, 51 in Scotland, 54 in Ireland, and 2 in the Channel Islands; but they were very unequally distributed, and in many cases the facilities afforded for depositing and withdrawing money were ridiculously insufficient. In nine Scotch and four Irish counties, and in 150 towns with more than 10,000 inhabitants, there was no savings bank at all. More than half were open only once a week, 54 were open only once a fortnight, and 10 only once a month. The hours for transacting business were in too many instances arranged rather for the convenience of the trustees and managers than for the requirements of the working classes, twenty per cent. of whom were, according to a competent authority, absolutely debarred from saving money by lack of facilities. Notice was necessary for withdrawals, and great delay often occurred when depositors wanted money. We do not think that savings bank deposits should be withdrawable on demand, but a delay of a fortnight, or even of a week, in obtaining an amount, however small, obviously prevented many persons from locking up their money in these institutions. The trustees and managers were generally men of influence and good position, often clergymen and employers, and some cautious people hesitated to use savings banks, under the mistaken notion that the fact of their putting away money might be disclosed to their prejudice, while others objected to the patronage of the voluntary officials. Public confidence in savings banks had been greatly shaken by a series of frauds involving great losses to depositors, who discovered, to their surprise, that little or no liability attached to the trustees, and that the promise of Government security for their money was a delusion. It is much to be regretted that this serious blemish was so long allowed to mar the usefulness of savings banks, and that the Act of 1863 did not apply a remedy. As recently as 1886 many thousand pounds were lost by the depositors in the Cardiff Savings Bank through the dishonesty of the actuary and the negligence of the trustees. The loss at Cardiff excited considerable attention, and Mr. Lyulph Stanley, who was appointed a commissioner to investigate and report upon the causes of the disaster, came to the conclusion that the ultimate security of depositors in the older savings banks was the integrity of the actuary. Parliament has at last been aroused to the necessity of providing a more substantial guarantee, and the Act of 1891 will, it may be hoped, prevent a recurrence of such losses as were experienced at Cardiff and in other places.

From time to time various suggestions were made to improve the efficiency of trustee savings banks, and to afford greater facilities for depositing money. In 1852 Archdeacon Hamilton, then vicar of Berwick-on-Tweed, proposed a national system of savings banks, to be worked through the agency of the Post-office. Four years later Mr. John Bullar advocated a somewhat similar scheme, but in neither case did the plan

receive much support. In 1859 Mr. Charles William Sikes, of Huddersfield, who had for many years taken a keen interest in the subject, and had in 1858 given valuable evidence before a committee of the House of Commons appointed to inquire into the Acts relating to savings banks and the operation thereof, addressed a letter on the subject to Mr. Gladstone, the Chancellor of the Exchequer in Lord Palmerston's recently formed administration. Mr. Sikes proposed that in every town in which there was no savings bank the Post-office should receive deposits of not less than one pound, that the amounts thus received should be remitted to London by means of money orders, and that savings bank notes, bearing interest at the rate of $2\frac{1}{2}$ per cent. per annum, should be issued to depositors. He had previously ascertained through Mr. Edward Baines, then member for Leeds, that the plan was considered practicable by the authorities of the Post-office, and with Mr. Gladstone's permission his letter was printed and widely circulated. Lord Brougham referred to it in his inaugural address at the meeting of the Social Science Association at Bradford; the Huddersfield Chamber of Commerce unanimously approved their townsman's scheme and communicated it to all the other chambers of commerce in the kingdom; memorials supporting it were sent to the Chancellor of the Exchequer from Liverpool, York, and Leeds, from a meeting of the Dublin Statistical Society, presided over by Archbishop Whately, and from other influential bodies. Mr. Gladstone took up the subject and consulted Sir Alexander Spearman, the Comptroller-General of the National Debt Office, and the Secretary of the Post-Office, who submitted Mr. Sikes' plan to a thorough but very necessary examination. Several obvious objections were apparent on its face. The proposal to intrust the management of the National Savings Bank to a separate commission, only employing the post-office to collect and repay deposits, involved unnecessary expense and the confusion of divided authority; the cost of money orders and savings bank notes threatened to swallow up too large a portion of the profits, and the restriction of the minimum amount receivable to one pound would prevent many persons availing themselves of the scheme. Much time was spent in endeavoring to overcome these and other difficulties, until in November, 1860, Mr. George Chetwynd, of the Post-office, addressed a letter to Lord Stanley, of Alderley, the Postmaster-General, explaining how a modification of Mr. Sikes' plan could be worked through the department. It is not necessary to trouble our readers with all the details of Mr. Chetwynd's proposals; the result will appear in the course of this article, and it is sufficient here to record that, after improvements by Mr. Scudamore and Sir Alexander Spearman, they were accepted by Mr. Gladstone and formed the basis of a bill he introduced into the House of Commons on February 12, 1861, three days after he had obtained the necessary resolution in committee.

The second reading of the bill was carried on March 18, not, however, without a show of opposition, led by Mr. Sotherton Estcourt in the interest of the Trustee Savings Banks. In committee Mr. Ayrton objected to most of the details, and expressed a fear that the establishment of a National bank would involve more serious consequences than could be foreseen; an Irish member, a Home Ruler before Home Rule was invented, asked that Dublin should be the center of operations in Ireland; and Mr. Alderman Sidney prophesied that if the new savings bank were successful it would in time become as gigantic as the Bank of England. The bill, however, came out of committee with few and slight alterations, was discussed at somewhat unusual length in the House of Lords, and received the royal assent on May 17, 1861, as "An Act to Grant Additional Facilities for Depositing Small Savings at Interest,

with the Security of the Government for Due Repayment thereof." The Act, which is still the principal governing statute of Post-office Savings Banks, contains only fifteen clauses. It enables the Postmaster-General to accept and repay deposits of one shilling or some multiple of a shilling, and prescribes how they are to be received; depositors are entitled to repayment within ten days at furthest after demand; absolute secrecy is enjoined upon all officers engaged in the business; all moneys deposited are to be paid over forthwith to the Commissioners for the Reduction of the National Debt; the Consolidated Fund of the United Kingdom is made liable for any deficiency in the fund created by the Act; the interest payable to depositors is fixed at $2\frac{1}{2}$ per cent. per annum, and is to be calculated to December 31 in each year and added to the principal; and provision is made for transferring deposits to and from trustee savings banks, for auditing the accounts and presenting them to Parliament, for applying the statutes then in force relating to savings banks to the Post-office Savings Banks, and for enabling the Postmaster-General to make regulations from time to time for carrying out the Act. No time was lost in preparing to begin operations, but there were many details to settle and many authorities to consult. It was decided to open 300 offices at first for the receipt of deposits, and the postmasters were in many cases personally instructed in their new duties. On September 16 business was actually begun, and 435 deposits, amounting to £951, were received. This was considered a fair start in the infancy of the Post-office Savings Bank. Thirty years later 72,000 deposits and £178,000 were received in one day.

As one person in six is at the present time a depositor in the Post-office Bank, we may presume many of our readers have some knowledge of the way in which accounts are opened and money deposited and withdrawn; but for the benefit of those who may be without personal experience it may be desirable to describe these operations, which may be performed at any one of the ten thousand post-offices in the United Kingdom at which savings bank business is transacted. An intending depositor on going to a post-office to open an account is asked to furnish his full name and address, and whether he has already an account in any savings bank, it being illegal for any person to have a direct interest in more than one such account. Having ascertained that the applicant is not already a depositor, the postmaster takes the money to be deposited, prepares a declaration—a necessary legal preliminary common to all savings banks, though the form used by the post-office is encumbered with a large quantity of printed matter which probably not one person in a hundred ever reads—and obtains the applicant's signature thereto. He also prepares a deposit book, on which are printed the name of the office and a number, and enters therein the name and address of the depositor, and the date and amount of the deposit, and attests the last two entries by his signature and an impression of the dated stamp of the office. He also enters these particulars and the number of the book in his savings bank account—a sheet of paper ruled and printed for the purpose—and hands the book to the depositor, after obtaining his signature therein. The entry of the transaction in the book is for ten days statutory evidence of the depositor's title to repayment; but the Postmaster-General's acknowledgment of the receipt of the money (which is issued from the chief office in London, and should reach the depositor in four days in the case of deposits made in England and Wales, and in six days in Scotland and Ireland) is conclusive evidence of the title; and if the acknowledgment is not received in due course the depositor should apply for it by writing to the Controller of the Post-office Savings Bank, and should, if necessary, renew the appli-

cation until he get it. He need not prepay the postage, as all communications to and from the Savings Bank Department pass through the post-office free of charge to depositors, though they are carefully counted and the cost of carrying them is charged against the department, which pays about £56,000 a year for postage.

The depositor can make further deposits, using the same book, at any post-office open for savings bank business, but he may not deposit more than £30 in any year, except to replace an amount previously withdrawn in the same year, and the total sum standing to his credit, inclusive of interest, must not exceed £200. When he wishes to make a withdrawal he must apply on the proper form, which is self-explanatory, and forward it to the Controller. By return of post he receives a warrant for repayment of the amount applied for, an advice being sent to the postmaster, and on presenting the warrant and the deposit book at the office of payment, and signing the receipt to the warrant, the money is handed to him, and the withdrawal is entered in the book. No transaction can take place in a post-office savings bank account without the cognizance of the chief office in London, where the ledgers and other necessary books are kept; and it is a consequence of this centralization of the accounts that a depositor is not restricted to one post-office; he can, if he choose, open an account in London, make his next deposit at Galway and a withdrawal in Scotland. Another consequence is that the deposit book must be sent to London for annual examination, and for the entry of the interest. For this purpose covers are supplied, free of charge, at post-offices transacting savings bank business; but, in order to prevent the central office in London being overwhelmed with deposit books immediately after December 31, when the interest is computed, the book should not be forwarded until the anniversary of the first deposit. Thus, if an account is opened on June 1, the book should be posted so as to reach London on that date. It is returned, duly examined and made up, in the course of three or four days. Meanwhile the depositor has the acknowledgments as evidence of his deposits; and he should carefully retain these documents, at all events until the corresponding entries in his book have been examined at the central office.

It would little interest our readers to describe the system of book-keeping by which the accounts are kept at the central office in London. Postmasters who transact savings bank business are not allowed to keep any record of deposits or withdrawals, except the daily totals, and are thus effectually prevented from furnishing information respecting depositors. The account sheets, in which they enter the deposits they receive and the withdrawals they pay, are sent daily to London, where they serve as journals or day books. They are of two kinds, one set being used for the entry of transactions in depositors' accounts opened at the postmaster's own office, known as ordinary deposits and withdrawals, and the other set being used for transactions in accounts opened at other offices, technically described as "cross entries," whether they are deposits or withdrawals. From these accounts the acknowledgments are prepared, those relating to ordinary deposits being written on forms printed on blue paper, and those relating to cross-entry deposits on forms printed on gray paper. The address portion of the form is used as the cover, and when the document is folded it bears no evidence of its origin, so that an acknowledgment does not disclose, except to the person to whom it is addressed, the fact that he is a depositor. The withdrawal warrants are similar in shape and appearance, and it may be well here to state that proper precautions are taken before these documents are issued for the repayment of deposits. The declarations made by depositors on opening their accounts are kept at the central office,

arranged numerically under the name of the post-offices transacting savings bank business, and when a notice of withdrawal is received the corresponding declaration is taken from its place in order to ascertain that the notice is signed by the depositor. If there is any difference between the signatures to the two documents, the notice is returned for an explanation, unless it appears—as in the case, for instance, of a child—that the handwriting has improved. In such circumstances the notice would be honored, and the declaration would be sent to the postmaster, with the advice of the warrant in a printed form, directing him, before paying the money, to satisfy himself that the applicant is the depositor, and to obtain a new signature to the declaration. The warrants of withdrawal and the corresponding advices are prepared simultaneously by means of carbonized paper. The precautions against fraud are not confined to the central office. The warrant must be presented by the depositor in person, or by the bearer of a duly executed order under his hand, with the deposit book, which contains the depositor's signature, and the receipt to the warrant must be signed in the presence of the postmaster. If the signature to the warrant agree with the signature in the book, the postmaster enters the withdrawal therein and in his savings bank account, hands the money to the depositor, and returns the book, unless the transaction closes the account, in which case it is retained and sent to the central office. The warrant is, of course, kept by the postmaster, and is sent with his account to the central office, thus serving the twofold purpose of a voucher for the payment by the postmaster and a receipt from the depositor.

Shortly after the establishment of Post-office Savings Banks it was suggested that the system should be utilized to enable depositors to make small investments in Government stock. It was urged that, whereas in France and other countries ample facilities were afforded to the public to buy *rentes*, and, as a consequence, the number of fundholders was very large, there were no such means in the United Kingdom, and the fundholders were comparatively few. The political advantage of increasing the number of persons having, in the common phrase, "a stake in the country" is obvious; but the Government was apparently unwilling for many years to use the savings banks for the purpose. When, however, Mr. Fawcett became Postmaster-General he took up the suggestion with his usual energy, and, with the approval of Mr. Gladstone, a bill was carried in 1880, enabling all savings bank depositors to buy and sell Government stock through the medium of their accounts, to the extent, as regards purchases, of £100 stock in one year, and £300 stock in all, and to deposit these amounts in addition to the ordinary deposits. A savings bank depositor is, therefore, allowed to hold £300 Government stock in addition to £200 ordinary deposits. At first the minimum investment was fixed at £10, but depositors may now buy stock of the nominal value of one shilling, though, as the commission on the purchase of any amount under £25 is ninepence, there are not many instances of investments in very small amounts of stock. In 1891 there were 725 investments and 1,549 sales of stock by Post-office Savings Bank depositors of amounts under £10, and 50 of these transactions were amounts of less than £1. In one case a depositor was so foolish as to invest in consols, and afterwards sell out, a sum of four shillings only, at an expense of one shilling and sixpence. There is, we believe, a tradition at the Bank of England of an even more foolish person, who bought, through a broker, one pennyworth of stock. In neither instance, of course, did any dividend accrue on the purchase. Deposit-ors can obtain stock certificates in exchange for their investments, and are also at liberty to transfer their stock to the books of the Bank of

England on payment of a small fee. In both these cases the stock ceases to stand to their credit at the savings bank, but they are at liberty to make further investments within the prescribed limits.

The Post-office Savings Bank not only affords facilities to persons able to lay by more than £ 30 a year; it has also provided for those who are unable to save even a shilling at a time. For this also credit must be given to Mr. Fawcett, though the plan authorized by him in 1880 was an adaptation of a practice that had for some time been followed in Belgium. Any person desirous of saving a penny, or even a halfpenny, at a time can obtain at any post-office a form to which he can affix postage stamps to the value of one shilling in all, and when this has been done, the form will be accepted as a deposit at any post-office where savings bank business is transacted. These forms are very simple, and contain full and plain directions for their use. They are issued free of charge, and can be obtained in quantities by clergymen, schoolmasters, and others interested in the promotion of thrift. They are, we believe, largely used in schools and other places, but no information is forthcoming as to the amount that has been collected by this simple method.

The Post-office Savings Bank also encourages small savings by assisting persons willing to undertake the management of penny banks. Penny banks are said to have originated in Scotland, in 1857, and have proved valuable auxiliaries to savings banks. The post-office supplies to clergymen, ministers of religion, schoolmasters, and other responsible persons desirous of encouraging thrift, specimen rules, which are very simple, and the necessary depositors' books, free of charge, and it also provides cash books and ledgers at cost price, on the understanding that all moneys received by the penny banks are deposited in the Post-office Savings Bank. Facilities are afforded to depositors in the penny banks for opening accounts with the Post-office Saving Bank without personal attendance, and after this has been done the depositor is still at liberty to continue his penny bank account. Considerable impetus has recently been given to the formation of penny banks in elementary schools by the issue of a circular from the education department, calling the attention of school managers and schoolmasters to the importance of inculcating thrift upon children under their care, and pointing out the desirability of establishing a penny bank in every school. Unfortunately, schoolmasters have so much bookkeeping, and so many returns to prepare, in connection with their work, that many of them seem unwilling to add the management of a penny bank to their other duties. Now that they have been generally exempted from collecting and accounting for school fees, there is less excuse for failing to give a practical lesson in thrift by assisting the children to save their spare pence; but where schoolmasters are really too busy, managers ought themselves to undertake the duties connected with penny banks. We have still a good deal to learn in this matter, and we are much behind some other countries in insisting upon children learning to save as soon as they have any money of their own, however trifling in amount. The working classes are often unwilling to allow their employers to take charge of their savings, even when very liberal interest is offered; but they do not object to their children saving money in penny banks, conducted by schoolmasters and clergymen; and were a penny bank a positive requirement in every elementary school we might reasonably hope that the next generation would be more thrifty than their fathers. Some astonishing results have been obtained in Belgium from well-conducted school penny banks. We have not been able to obtain recent figures; but some years ago, out of 15,392 children attending the schools of all descriptions in Ghent, no less than 13,032 were depositors in school

banks, and although deposits as small as one centime were received, the average amount to the credit of each child was 35 francs. We know of no reason why equally gratifying results should not be attained in London.

The funds belonging to penny banks can be deposited in the Post-office Savings Bank, without restriction as to amount, and the same privilege is granted to friendly societies and trades unions. This permission has been of great service, and has been largely used by the officers of many of these institutions, who have found that the post-office affords them all the banking facilities they require free of charge, and pays them a fair rate of interest on their deposits. Charitable and provident societies are allowed to deposit £100 a year, and £300 in all, and, as the regulation is very liberally interpreted, there is scarcely any voluntary association for a lawful purpose that is unable to enjoy the facilities offered by the Post-office Savings Bank. Clothing and shoe clubs, boating and cricket clubs, funds for paying curates and missionaries, choir and school prize funds, church and chapel building funds, and other institutions of a like nature, are all included by the post-office under the comprehensive expression, charitable and provident societies, and are permitted to use the Post-office Savings Bank. The county courts also deposit moneys paid into court in equitable proceedings, without restriction as to amount, and trust funds, not exceeding £500, in accordance with the provisions of the County Courts Act of 1867.

It has already been mentioned that Mr. Whitbread, in 1807, proposed to give facilities for the purchase of small Government annuities, and for the insurance of lives. In April, 1833, Lord Althorp carried a measure for granting immediate and deferred annuities of not less than £20 through the medium of savings banks. Twenty years later a bill was passed enabling annuitants to insure their lives, but neither of these measures produced important results. In 1864 Mr. Gladstone decided to utilize the post-office for annuity and insurance business, and an act was passed enabling any person to purchase an immediate or a deferred annuity not exceeding £50, and for insuring approved lives for not less than £20 nor more than £100. For many years this business was carried on as an entirely separate branch of the post-office, but in 1884 it was amalgamated with the Post-office Savings Bank; the system was modified, and some improvements were introduced. Immediate or deferred annuities of not more than £100, or less than £1, can now be purchased on the life of any person over five years of age, and insurances are granted for not more than £100 or less than £5 on lives between fourteen and sixty-five years of age. The lives of children between eight and fourteen years of age may also be insured for £5. All premiums are payable through savings bank accounts, and the amount for the purpose may be deposited in addition to other deposits; but a depositor who has a sufficient balance to his credit need not make special deposits for the payment of premiums. As long as the balance is unexhausted the post-office charges the premiums as they become due to the depositor's account, and when the balance is not sufficient a notice to that effect is sent to the depositor. On December 31, 1891, there were in existence 11,388 contracts for immediate annuities of £231,010, 1,290 contracts for deferred annuities of £24,396, and 6,935 contracts for insurances of £483,009. These figures are not, it must be confessed, very satisfactory, and the hope of increased business so freely entertained at the time of the amalgamation of the insurance and annuity branch of the post-office with the savings bank has not been realized. The number of immediate annuities is fairly good, but it is evident savings bank depositors do not appreciate the system of deferred annuities.

or that the cost is too heavy—facts to be borne in mind in connection with the various proposals now being ventilated on the subject of national pensions. The insurances, too, appear very insignificant by the side of the figures published by the insurance, industrial and friendly societies, who compete successfully with the post-office for this class of business. In the opinion of some competent persons the premiums charged by the post-office might be reduced with safety. At present they are far higher than the premiums of the soundest insurance companies. The post-office, for instance, requires from a man of thirty an annual payment for life of £2 7s. to insure £100 at death, which is about 15 per cent. more than the average charge of the companies. The security of the post-office is, of course, absolute, but the public have to pay rather dearly for it. Insurance companies earn, however, over 4 per cent. on their accumulations, while the post-office, restricted to investments in Government stock, cannot earn quite 3 per cent.; and although the apparent difference is a little more than 1 per cent., it is large enough to be an important factor in the calculation of premiums. The insurance companies are not the only, and perhaps not the most formidable rivals of the post-office in the competition for insurance business. The industrial companies, with a large army of agents and canvassers, have issued an immense number of policies for small amounts, and the Odd Fellows, Foresters, and other kindred societies, not to mention the trades unions, are increasing their membership every year. The financial soundness of some of these societies is perhaps questionable, but many of them are making diligent efforts to improve their position. Moreover, they grant pay during sickness, which is, in many cases, of more importance to a wage-earner than a sum of money payable at his death. It has been suggested that the post-office should frame tables for securing a weekly payment in the event of illness; but, apart from the want of sufficient data for the purpose, the experiment would be too hazardous for a public department. We do not wish to libel our fellow-countrymen and fellow-countrywomen. Where, however, it is a question of getting something out of the State, the common rules of honesty do not always apply. Men otherwise upright make incorrect returns of their income; women are proverbially smugglers; and we fear persons insured by the Government against sickness would malingere.

We do not intend to trouble our readers with a multitude of statistics, but it is necessary to set before them a few figures, in order that they may appreciate the work of the Post-office Savings Bank. In the year 1891, 8,941,431 deposits, amounting to £21,334,903, were received, and there were 3,126,231 withdrawals, amounting to £19,019,856. Government stock to the value of £1,025,310 was purchased by depositors, and £607,637 stock was sold, the purchases numbering 20,841 and the sales 12,500; 28 stock certificates were obtained for depositors, and there were 258 transfers of stock to the Bank of England. The average amount of each deposit was £2 7s. 9d., and of each withdrawal £6 1s. 8d.; each purchase of stock averaged £49 3s. 11d., and each sale £48 12s. 2d. Interest to the amount of £1,658,148 was credited to depositors during the year, and on December 31 there were 5,118,395 accounts remaining open, with balances amounting in the aggregate to £71,608,002, which gives an average of £13 19s. 10d. for each account. At the same date 55,085 depositors held stock of the nominal value of £5,087,766, or on an average £92 7s. 3d. each. We have already mentioned that one person in six in England and Wales is a depositor in the Post-office Savings Bank; in Scotland and Ireland the proportion is one in twenty-two, and for the United Kingdom it is one in seven.

This enormous business, which is necessarily centralized in London

absorbs the services of a small army of men, women and boys, numbering together nearly 1,900 persons, or about twice as many as are employed by the Bank of England in Threadneedle Street, so that Alderman Sidney's prophecy is more than fulfilled. The army includes 572 men clerks of all grades, 546 female clerks, about 420 boy clerks and boy copyists, about 210 sorters, porters, and boy messengers, and 150 female sorters. These figures do not include any persons employed in the actual receipt and payment of deposits, but at many of the more important post-offices one clerk at least is required for this business. The total amount provided in the Civil Service estimates of the current year for the Post-office Savings Bank, including every possible expense—as, for instance, £1,450 for loss on light gold—is £365,971. This amount, divided by the probable number of transactions, *i.e.*, of deposits and withdrawals, brings the cost of each transaction to a fraction under sevenpence, the estimated cost at the time of the establishment of Post-office Savings Banks. During the whole period of their existence this estimate has proved substantially correct, and it redounds greatly to the credit of those who were responsible for the arrangements that they were able to forecast the cost so accurately. In 1861 the cost of each transaction in the trustee savings banks averaged one shilling, and many persons of experience doubted whether the Post-office Savings Banks could be managed more economically. At the present time, owing chiefly to the absorption of many of the smaller banks by the post-office, the average cost of each transaction is a little more than ninepence. In some of the banks it is as much as two shillings and sixpence, but in the large and well-managed savings banks of Liverpool and Glasgow it is as low as fourpence.

According to the latest return there were, on November 20, 1890, only 324 trustee savings banks in the United Kingdom, with 1,535,782 depositors, and a capital of £43,614,055, besides £1,280,069 invested in Government stock. No less than 331 banks, with a capital of £9,851,532, had been closed, and the greater portion of the deposits were transferred to the post-office. A large number of banks have been closed since the date of the return, and the absorption of the older banks by the post-office has been accelerated by recent legislation. It is, perhaps, a matter for surprise that the trustee savings banks have been able to maintain their position in face of the rivalry of the post-office and the closing of more than half the number in existence in 1861. In a few instances the business has more than doubled during the last thirty years, and many of the trustee banks are still in a condition that may be fairly described as prosperous. The Glasgow Savings Bank, with 157,340 depositors and a capital of £4,668,751; the Liverpool Savings Bank, with 92,578 depositors and a capital of £2,425,861; and the Manchester Savings Bank, with 85,242 depositors and a capital of £2,383,061, are certainly flourishing. In these cities, and in other places, the savings bank is looked upon as a valuable local institution. Men of position readily act as trustees; the banks are well managed, and the accounts are properly kept and properly audited. In some of them withdrawals within certain limits are allowed without notice, and though we think the practice is somewhat foreign to the nature of savings banks it probably adds to their popularity. So long as these banks continue efficient their existence is not to be regretted, but the smaller trustee savings banks cannot afford sufficient accommodation to their depositors, the management is too often very indifferent, and unless they can be greatly improved it would be well to close them and to transfer the deposits to the post-office.

Before we conclude, something remains to be said as to the financial

position of the Post-office Savings Bank at the present time and in the not very distant future. According to the balance sheet published in the last report of the Postmaster-General, the total value of the securities held by the National Debt Commissioners on account of the Post-office Savings Bank fund, at the current price of the day, was £71,750,902. To this sum must be added £1,109,125 for dividends accrued but not received, cash in hand, and the value of the Central Savings Bank premises, making a grand total of £72,860,027. The total liabilities were £71,618,445—viz., £71,608,002 due to depositors and £10,443 for expenses remaining unpaid. The surplus of assets over liabilities was, therefore, £1,241,582. We think the actual liability to depositors is overstated, for, if we may judge from the experience of the older savings banks, there must be a large amount of money nominally due to depositors who have died, or who have forgotten their accounts, which will never be claimed. It would be premature to attempt to ascertain how far our assumption holds good, but at a future date a needy Chancellor of the Exchequer may make the inquiry and discover an unlooked-for windfall. In estimating, however, the present financial position of the Post-office Savings Bank, we must bear in mind that since 1876 the excess of interest accrued upon the funds held by the National Debt Commissioners has been paid into the Exchequer, and under this arrangement no less than £1,481,662 has been derived from the profits of the Post-office Savings Bank. The largest annual payment was £147,116 in 1878, and the smallest £36,050 in 1889. This reduction is, of course, accounted for by Mr. Goschen's conversion of the 3 per cent. stocks into $2\frac{3}{4}$ per cent. stock, and, in view of the future reduction to $2\frac{1}{2}$ per cent., it is evident that in a few years the interest allowed to Post-office Savings Bank depositors must be reduced, or the Post-office Savings Bank funds must be chiefly invested in some other securities than consols. The present rate of interest allowed— $2\frac{1}{4}$ per cent.—is not extravagant, and has the great advantage of being easily calculated and easily checked. It is, of course, sixpence a year, or a halfpenny a month on every complete pound, and, as the post-office does not allow interest on amounts less than one pound or for less than a complete calendar month, the calculation is very simple. When, however, consols only yield $2\frac{1}{2}$ per cent., the post-office will not be able to pay interest at that rate to the savings bank depositors, unless Parliament should see fit to enlarge the powers of the National Debt Commissioners as regards their investments. It has been suggested that the savings bank funds, or some part of them, should be lent to local authorities, who are always borrowing money, and are generally willing to pay rather more than 3 per cent. by way of interest. At present nearly £9,000,000 of the Post-office Savings Bank funds are invested in the Local Loans 3 per cent. stock, created by Mr. Goschen a few years ago. The suggestion we are considering would be an extension of what has already been done, and would meet the objection that has been urged—without, perhaps, much reason, that the Post-office Savings Bank withdraws money from the provinces and locks it up in London. But the question is too wide and too intricate to be fully discussed at the end of this article. Happily, it does not press for immediate solution, and it may well be left for the present.

To some persons the liability of the Government to repay the whole of the Post-office Savings Bank deposits in ten days is an element of risk in our financial system. In many countries provision has been made by law that in times of national danger savings bank depositors shall only be entitled to a fixed proportion of their deposits on demand, repayment of the balance being spread over a considerable period. No such arrangement has ever been proposed in this country, and we may

hope the need for it may never arise. We presume that in the event of a general panic among depositors in the Post-office Savings Bank the Government would not hesitate to suspend the operation of the law regulating withdrawals, as they have suspended the Bank of England charter on some occasions, and would afterwards ask Parliament to indemnify them. Hitherto commercial panics have not affected the Post-office Savings Bank, although the trustee savings banks felt, to some extent, the disasters of 1826 and 1866. In the latter year large sums of money, withdrawn by timid persons from the trustee savings banks, as well as from ordinary banks, were tendered for deposit in the Post-office Savings Banks, and in some instances, where the amount exceeded the authorized limit, intending depositors expressed a wish to leave their money for safe keeping without interest, and were much disappointed on being told that this could not be done. But a panic affecting depositors in the Post-office Savings Bank seems so improbable, and could only occur at a time of such general confusion as, happily, has been unknown to many generations of Englishmen, that the risk may be prudently neglected. We believe the Post-office Savings Bank is so well managed and so firmly established in the confidence of our fellow-countrymen, as to be out of danger in times of the most serious commercial depression or of any other trouble that can be reasonably anticipated. It presents, therefore, a most favorable contrast to the numerous popular banks for small deposits and building societies, several of which have recently failed, and half of which are said to be insolvent. The Post-office Saving Bank alone affords absolute security for investment, and is the best form of provision for old age, due to the thrift of the people, without the intervention of the State.—*Edinburgh Review*.

REPORT OF COMMITTEE ON BANK TAXATION TO THE MICHIGAN BANKERS' ASSOCIATION.

Immediately after the appointment of this committee, correspondence was opened with one or more bankers in every State of the Union where bank associations existed. A letter was addressed to each secretary, eliciting replies in most cases, but as at present such associations exist only in the West and South, including nineteen States, with none east of Ohio, little information was obtained as to the tax laws there, which are as vague and illusive as our own, and, as a Tennessee banker writes me, concerning his own State, "They are a holy terror."

From the Eastern and older States, where experience and stability are supposed to have taken root, and where a uniform and systematic method largely prevails, little information could be obtained directly, the eastern reticence presenting a bold contrast to the responsive westerner, and for such information we are largely indebted to Mr. E. H. Pullen, vice-president of the Bank of the Republic, of New York. The uniform system adopted in New York is illustrated as follows:

The tax commissioners take the sworn statement as made in response to the usual September or October calls of the Controller of the Currency and the Superintendent of the State Banking Department, and predicate their assessments, say with a bank having a capital of \$1,000,000. From the surplus they deduct the interest and expense account, leaving a net surplus, say, of \$450,000. That amount is divided by the number of shares, say 10,000 at par value of \$100, making the stock worth \$145 per share. On the loans and discounts, say \$8,000,000, 4 per cent. is allowed, which amounts to \$320,000, which makes \$32,000 to be

deducted, and the dividend of the bank paid within a year, prior to the assessment, say 4 per cent. more, bringing the taxable value down to \$109, the theory being that the money loaned to individuals under the head of loans and discounts is invested by the borrower in something upon which he is taxed, and that the dividends are invested by the shareholders in property subject to taxation; that by this method double taxation is largely avoided. The same plan is adopted by private banks.

This is the method largely prevailing throughout New England, and a similar system prevails in Pennsylvania.

In Kentucky the tax law is uniform, all bank stocks being assessed at seventy-five cents of their par value, after deducting bad and doubtful assets, surplus and net undivided profits being assessed on the amount exceeding one-tenth of the capital stock.

In California bank stock and the surplus is non-taxable, the solvent credits of the bank, its loans and mortgages, money on hand only being assessable. No uniformity prevails, however, the assessment being made by local assessors upon the valuation as given them by the banks.

In Minnesota bank stock is assessed at its ascertained market value, surplus and undivided profits not being taxable as such.

In Ohio, under the decision of the United States Supreme Court, *Talbot v. Board of County Commissioners*, March 30, 1891, county boards of commissioners have adopted the rule assessing bank stock at a fixed amount, something less than its ascertained commercial value, deducting all Federal and State securities.

In Missouri no uniformity prevails. The Bankers' Association of that State have followed in our footsteps, and appointed a committee to secure legislative action.

In Tennessee no uniformity prevails. The bankers of that State are endeavoring to obtain uniform results.

In Memphis bank capital is assessed at par, some years at its par value, and others at one-half. Surplus and undervalued profits are not assessable.

In Arkansas no uniformity prevails, and the Bankers' Association, at their meeting in April last, adopted a resolution to investigate the matter. The Association of Bankers in Texas, Alabama, Florida, Kansas, and others of the Western States, actuated largely by the movement inaugurated by us at Marquette, are agitating this important question of bank taxation, and endeavoring to devise a just and equitable system.

In Illinois the system is generally uniform, the capital and surplus being assessed the same as all other personal property, on a basis of $33\frac{1}{3}$ per cent. of its par value.

In North and South Dakota uniformity does not exist, each county fixing its own rate. In the county of Grand Forks, banks are assessed at 45 cents on a dollar of their capital, undivided profits and surplus not being taxed.

In Ontario banks are not taxed upon their stock, surplus or undivided profits.

An income tax is imposed upon the dividends, averaging about one per cent., which is paid by the stockholder. In Quebec a special amount is charged as a license, based upon the capital alone, the basis being an annual payment of \$100 upon each \$100,000 of capital up to and including \$1,000,000; \$50 upon each \$100,000 above \$1,000,000 to \$3,000,000, and \$25 beyond that amount to \$6,000,000. In the case of branch banks and agencies a fixed tax of $\frac{1}{16}$ of 1 per cent. is charged from the paid-up capital. In other words, a \$100,000 bank pays no other tax than \$100 per annum, the principle being that a tax imposed on capital is equivalent to confiscation, it being cited that in some cases a bank might not

make any earnings, either through losses or other causes, which would require a withdrawal of the capital to meet the same.

Your committee would therefore recommend that a special tax law pertaining to the taxation of bank stock, separate and distinct from the general tax law, be obtained at the next session of the Legislature, containing a provision exempting that proportion of surplus required by the law to accumulate upon the capital, viz., 20 per cent., from taxation.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CAL.....San Francisco.German Savings & Loan Society.	MASS...Peabody.....S.Danvers Nat. Bk.
Dak. N.Grand Forks. Merch. Nat. Bank.	MINN...Minneapolis..Nicollet Nat. Bk.
IND.....Terre Haute.First Nat. Bank.	N. J....Camden.....Camden Safe Dep. & Trust Co.
LA.....Lake Charles.First Nat. Bank.	PA.....Wilkesbury.First Nat. Bank.
MASS...New Bedford.Merch. Nat. Bank.	VT.....St. Johnsbury.Merch. Nat. Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following :

ILL....Cairo.....City Nat. Bank.	R. I....Newport.....Merchants Bank.
NEB....Nebraska City.Otoe Co. Nat. Bk.	TEXAS..Fort Worth..First Nat. Bank.
N. Y....Newburgh...Quassaick Nat. Bk.	

EASTERN STATES.

CONNECTICUT.—Connecticut's banking facilities consist of eighty-four National banks, eight State banks, ten trust companies, and eighty-seven savings banks.

BRIDGEPORT, CONN.—Just a little over 50 years ago the Bridgeport Savings Bank, the first in the city, and now the sixth oldest in the State, was organized. Some time ago, the trustees of the institution decided to celebrate the semi-centennial of the association by a banquet, which has been done. General William H. Noble, the only one of the original corporators of the bank now living, was present by special invitation. When the last course had been disposed of, Attorney Curtis Thompson read a most interesting paper on the history of the bank, touching on its presidents and other officers in the past, and comparing the business methods of the present with those of the past. A paper which had been prepared by Mr. R. B. Lacey was then read, in which brief sketches were given of the original corporators of the bank, who were Sherwood Sterling, Benjamin Wheeler, Birdsey G. Noble, W. B. Dyer, Mark Moore, Samuel Simons, W. H. Noble, Josiah Hubbell, Stephen Hawley, Willys Stillman, Gideon Thompson, Samuel Stratton, Henry Shelton, Wilson Hawley, Thomas Kanson, Lemuel Coleman, Joshua Lord, Schuyler Seeley, Starr Beach and Elihu Beach. It was then voted to have the paper published in pamphlet form. Since its organization, in 1842, the bank has paid out in interest to its depositors the sum of nearly \$5,000,000. During that entire time it has had the good fortune not to have lost a single dollar by the act of any of its employes, and the trustees are pardonably proud of the record.

WILMINGTON, DEL.—Edward Betts, president of the First National Bank, has tendered his resignation and has been succeeded by James Price Winchester, of Baltimore. The action upon the part of Mr. Betts has been under contemplation by him for a long time. He desired to be relieved of the duties of the position on account of the press of other business, but the directors wished him to remain at the head of the institution. In former years the president of a bank was little more than a figurehead, but of later years his duties have become as onerous as those of other officers. Mr. Betts has his time well occupied as president of the Wilmington Coal Gas Company. Edward Betts became president of the First National Bank on July 11, 1864, succeeding his father, Mahlon Betts. The bank was organized on July 4 of the same year, having absorbed the old Mechanics' State Bank,

of which Mahlon Betts had been president for nine years, ever since its organization. He was continued as president of the new bank, but resigned in a few days, and Edward Betts was elected to succeed him. James Price Winchester, who will be the next president of the First National Bank, is 33 or 34 years old. He is a grandson of James E. Price, of the one-time Brandywine milling firm of James E. Price & Company. Mr. Winchester is a son-in-law of Mrs. Henry C. McComb. James C. McComb, his brother-in-law, resigned from the board of directors of the bank, so that there might be a vacancy to which Mr. Winchester will be elected. Mr. Betts will remain on the board for the present. In order to accept the presidency of the First National Bank Mr. Winchester has resigned the receiving tellership of the Merchants' National Bank of Baltimore, which position he has held for thirteen years. He began his banking career as runner at the Merchants' National, and has grown up in banking. The clerks at that bank have presented to him a handsome silver inkstand as a souvenir. Mr. Winchester formerly lived in this city.

PORTLAND, ME.—Are bank officials and city treasurers to entirely disappear? It would certainly seem so by the improvements that are being made. We will soon be doing all this work by machinery, they tell us. At the city treasurer's office in Portland, a new machine has lately been put into use which does the work of two men at least. It is a comptometer, so called. It is built on the principle of a typewriter. It will add, subtract, multiply and divide up to any desired amount. It will reckon interest and perform all sorts of operations with fractions.

MILTON, MASS.—The venerable Eleazar Bispham, president of the Blue Hill National Bank of Milton, is dead. Probably no face was better known or more beloved by everybody in Dorchester than that of the deceased. Although his step faltered and his eye had lost some of its brightness, his mind was still young, and he greatly enjoyed being among the young and seeing their sport. He was born in Dorchester eighty-eight years ago, and always lived there. He had been connected with the Blue Hill Bank for upward of half a century, and was cashier of the institution at the time of the high noon robbery, more than twenty-five years ago. He had just left the bank for dinner when the robbery was committed. On the death of President Tolman, a dozen years ago, Mr. Bispham was elected in his stead, and had served in that capacity ever since.

NEW HAMPSHIRE.—Tables showing the condition of the savings banks and trust companies of the State at the close of business June 30th, 1892, have been prepared for the annual report of the bank commissioners. The deposits in the savings banks aggregated on that date \$72,439,660.30. The savings deposits in the trust companies on the same date amounted to \$1,806,861.68, and the aggregate savings deposits in both savings banks and trust companies were \$74,246,521.98. Owing to a change in the law, the returns of the banks and trust companies were made on the last day of June instead of the last day of September, as heretofore, so that the increase shown covers a period of only nine months. For that nine months' period the increase of deposits in savings banks has been \$2,908,635.68, and the increase of savings deposits in the trust companies has been \$334,950.95; while the increase in savings deposits in both the savings banks and trust companies has been \$3,243,586.63. For the period of the full year an increase of over four millions of dollars would undoubtedly be shown. The report of the bank commissioners for the year 1887, at that time issued during the month of June, shows the savings deposits of New Hampshire to have been \$50,292,666.85. In five years there has been an increase in these deposits of nearly 50 per cent. The total resources of the savings banks are \$78,656,725.32. Total number of savings banks, 71. Total number of depositors, 169,949. Average amount to each depositor, \$416.24. The following is the statement of the liabilities and assets of the savings banks at the close of business, June 30th, 1892:

LIABILITIES.	
Amount due depositors	\$72,439,660.30
Guaranty fund	4,255,005.89
Surplus	817,661.24
Interest	1,089,236.12
Miscellaneous	54,561.77
	<hr/>
	\$78,656,725.32

ASSETS.	
Loans secured by western farm mortgages.....	\$12,870,788.95
Loans secured by western city mortgages.....	9,848,772.70
Loans secured by local real estate.....	7,846,866.58
Loans on personal security.....	5,615,856.80
Loans on personal security (western).....	1,537,946.25
Loans on collateral security.....	5,044,288.72
Loans on collateral security (western).....	1,608,653.39
United States and State bonds.....	275,850.00
County, city, town, and district bonds.....	9,650,643.51
Railroad bonds.....	7,407,382.45
Miscellaneous bonds.....	6,269,795.81
Bank stock.....	2,682,760.37
Railroad stock.....	2,394,649.08
Manufacturing stock.....	457,940.25
Miscellaneous stocks.....	1,618,667.17
Miscellaneous investments.....	467,299.27
Real estate by foreclosure.....	846,186.66
Real estate purchased.....	287,625.18
Cash on hand and on deposit.....	1,918,751.91
	\$78,656,725.32

GLASSBORO, N. J.—Mr. Thomas W. Synnott, of Wenonah, N. J., was appointed a director of the bank at the regular meeting of the board on Tuesday, October 25, 1892, to fill vacancy caused by the death of Mr. Samuel A. Eastlack, of Richwood, N. J. Mr. Synnott was on the same day unanimously elected president, to fill vacancy caused by the resignation of Hon. Woodward Warrick, of this "boro." Mr. Synnott was formerly president of the Whitney Glass Works, of Philadelphia and Glassboro, and by close application to business and exceedingly able management, seconded by large and judicious ventures in real estate, although a comparatively young man, has accumulated large wealth. He is justly regarded as one of the most able and successful business men in southern New Jersey.

NEW YORK CITY.—Mr. William H. Porter, cashier of the Chase National Bank, has been elected vice-president. This is a promotion which is merited by faithful and efficient service. During the absence of Mr. Cannon, Mr. Porter is acting as head of the institution, though he has thus served on former occasions.

NEW YORK CITY.—It is understood that a plan is on foot for the erection of a new building for the Clearing House of the Associated Banks in this city. Some of the bankers who are interested in the matter think the new structure should be on the site of the old building, which fronts on Pine street and has an extension to Nassau street. Others advocate the selling of the property now occupied and the purchase of a new site in the same neighborhood. The business of the Clearing House has increased to such an extent that the present quarters are sadly inadequate. Speaking of the necessity for additional room, the manager said: "Our clerks are so huddled together that they work at a disadvantage. The facilities which we now have were well enough twenty years ago, but it should be borne in mind that the volume of business has grown larger year by year, and that the growth is likely to increase indefinitely." If the new building scheme is carried into effect it is very probable that the work of construction will be commenced early next spring.

NEW YORK CITY.—The National Park Bank has bought the *Herald* building, corner Broadway and Ann street, and will extend its present marble-fronted building to the corner, and erect an imposing structure with modern improvements. There will be luxurious private offices for the directors, a first-class French restaurant for the convenience of the bank, a banquet hall for special occasions, and a parlor and reception room for the ladies who trust their valuables with the institution. It is expected that the building will be completed by the end of next year.

NEW YORK CITY.—Ex-Comptroller Trenholm, president of the American Surety Company, has said, in explanation of the purchase of the building of the Continental Insurance Company, that his company's business was growing very rapidly, and it needed more room. He did not know that the titles to the property in question had been passed, but the purchase had been made, subject to the titles being found satisfactory. He did not know whether the company would erect a new building on the site or occupy the present one.

NEW YORK CITY.—Definite announcement is now made in regard to the new National bank which is to be established at Dey and Greenwich streets, in the building formerly occupied by the North River Bank. The Franklin National, which is the name of the new bank, is to be backed by interests identical with those behind the Lincoln National, of which Gen. Thomas L. James is president. The new bank is to be started with a capital of \$200,000 and a surplus of \$50,000. It will organize and be ready for business in about a month. Subscriptions ran considerably over this total, and it was necessary to scale them in order to accommodate everybody who wanted to get in. Among the larger subscribers are Meyer Thalmessinger, formerly president of the Mechanics and Traders' National Bank; David Dows, Jr.; C. P. Huntington, Simon Berg, William James, and D. C. Willoughby. Mr. Thalmessinger is to be president of the new bank, and Charles F. James, the son of Gen. James, will be vice-president. Mr. James is a law partner of A. J. Dittenhoefer, and it is probable that Mr. Dittenhoefer will become one of the directors. Those who are interested in this bank believe that a fine commercial banking business can be done in that neighborhood, and that the bank will prosper if it shall receive only 50 per cent. of the business expected for it.

NEW YORK CITY.—Richard Bell, the oldest banker in Wall street, has just died, in the ninety-sixth year of his age. He was very well known in Wall street about thirty-five to forty years ago, first as agent of the Bank of British North America, afterwards as a private banker, and lastly as agent of the Bank of Montreal, from which latter he retired in 1876. Mr. Bell was born in Dublin on the 1st of October, 1797, was engaged in mercantile pursuits there and in London until about 1830, when he came to the United States to try his fortune. He got a position in a large mercantile and banking company in Baltimore, and for a few years sat at the same desk there with the philanthropist, George Peabody. For the last fifty years he was a citizen of New York and was always held in high repute as a gentleman and a banker. He held for several years the office of president of the Friendly Sons of St. Patrick, and the wit and humor of his annual speeches were never excelled. He had a wonderful memory, and only recently he spoke to a friend of the battle of Trafalgar and the death of Nelson, the news of which came to Dublin when he was a boy of about ten. The rejoicings at the glorious victory, followed in a day or two by the sad news of the death of the great Admiral, he never forgot, and he recounted it with great feeling and emotion as if it was a "recent tale that is told." On being asked recently if he remembered the battle of Waterloo, he said: "My dear young friend, I had been nearly a score of times in love before that great battle was fought." Mr. Bell was one of the very few who could connect the present generation with what is now generally spoken of as ancient history. Mr. Bell was retired with a comfortable competence for about eighteen years, and up to nearly the end read the daily papers, and was fond of ventilating his views on politics both here and abroad. Only a very few of his old friends survive him. He has outlived nearly every close relative he had.

NEW YORK CITY.—The New York Clearing House tendered an informal reception to William Lidderdale, who was presiding Governor of the Bank of England during the financial crisis of 1890-'91. The rooms of the Clearing House at Pine and Nassau streets were filled with the members of the association. Nearly 100 bank presidents and many vice-presidents were present, practically every bank in the city being represented. There were also present members of some of the large and well-known financial houses in the city, as well as the presidents of all the trust companies, and other men well known in the financial world. Besides the officers of banks and trust companies, there were present: George J. Magoun, of Baring, Magoun & Co.; Mr. Winslow, of Winslow, Lanier & Co.; George S. Bowdoin, of Drexel, Morgan & Co.; R. T. Wilson, of R. T. Wilson & Co.; S. D. Babcock, Dallas B. Pratt, of Maitland, Phelps & Co.; Henry Clews, Ellis H. Roberts, Assistant United States Treasurer at New York; Charles S. Fairchild, ex-Secretary of the Treasury, and Alexander Weil, of Lazard Freres. Mr. William Sherer, the manager of the Clearing House, escorted Mr. Lidderdale over the Clearing House, and gave him an opportunity of witnessing the operation of making the exchanges. As a practical banker he was of course very much interested in the work, and expressed himself as pleased with the ease and celerity with which it was done, but he after-

wards refused to speak for publication as to how he thought it compared with the operation of the English Bank Clearing House. Mr. Lidderdale was for two years Deputy Governor of the Bank of England, and three years Governor. He is still a director of the Bank of England, and a member of the Committee of Treasury, which consists of ex-Governors, as they would be termed in this country, that is, directors who have "passed the chair," as they say there. The term of Governor of the Bank of England is two years, but Mr. Lidderdale was re-elected for another year in recognition of the services he had rendered to the financial community and because it was deemed wise not to make a change at that time.

NEW YORK CITY.—The directors of the Bank of New York adopted appropriate resolutions with reference to the death of Charles M. Fry, president of the bank. In down-town circles general expressions of regret were heard. Mr. Fry had a high reputation as a banker, and was esteemed by many persons for his friendly and helpful acts. He was born in Madison County, Virginia, on April 24, 1822, his father being Henry Bellville Fry. The family was well known in that State. At an early age he went into business in Richmond as a commission merchant. In 1846 he married the eldest daughter of Watkins Leigh, Attorney-General of Virginia, and two years later he began his business career in New York. He went to Liverpool, England, in 1862, and for two years was engaged in the cotton business. In 1866 he came back to New York and was in the coffee, tea and hide trades for two years. At one time he was a member of the firm of C. J. Ramsey & Co. Later he did a large business with South America as a banker, and was the attorney here of London banking corporations. Mr. Fry's connection with the Bank of New York began in 1874, when he was elected a director, soon afterward being chosen the vice-president. The death of the president of the bank, C. P. Leverich, occurred on Christmas Day, 1875, and on January 18, 1876, Mr. Fry was elected to succeed him. The Bank of New York was organized in 1784, and was one of the earliest institutions of the sort in this country. When Mr. Fry became its president the severe depression which followed the panic of 1873 still prevailed, but he was successful in continuing and increasing the prosperity of the institution. In 1878 the capital stock was reduced from \$3,000,000 to \$2,000,000, and under Mr. Fry's presidency the building at Wall and William streets was enlarged by the addition of two stories, at a cost of \$56,800. Mr. Fry was a trustee or director of the Continental Trust Company, the Transatlantic Fire Insurance Company of Hamburg, the London Assurance Corporation, the United States Lloyds and other companies. He was a trustee of St. Luke's Hospital and other charitable and philanthropic institutions. His fortune is said to be considerable. Mr. Fry had no children. His wife survives him.

MT. MORRIS, N. Y.—Charles L. Bingham, senior member of the firm of Bingham Bros., bankers, one of the most influential and widely known men in Livingston County, who died last month at his home in Mt. Morris, was born in 1827, and with the exception of about a year's residence in Maryland, this has been his home, and he has always taken a leading part in the social, religious and business life of his native village. He was admitted to the practice of law about the year 1848, and shortly afterwards formed a partnership for the practice of his profession with Judge Hastings, which partnership lasted until the death of Mr. Hastings. After the death of Judge Hastings, Mr. Bingham, in company with his brother, L. C. Bingham, and S. E. Brace, formed the banking institution which was known at that time under the firm name of Bingham Brothers & Brace, which partnership continued until about 1876, when Mr. Brace retired and the business was continued by C. L. & L. C. Bingham until the death of L. C. Bingham, which occurred in 1888, since which time the business has been conducted by E. L. Bingham and his son, C. W. Bingham. During his career as a banker, Mr. Bingham has become widely known as one of the most able financiers in Western New York. His management of many large estates has earned for him a wide reputation both at home and abroad. At the time of the failure of the Faulkner Bank at Dansville, some years ago, he was appointed receiver, and by his shrewdness and great business ability brought out of that apparently hopeless wreck a state of affairs never expected by the defrauded depositors and the final settlement paid to these depositors was nearly \$25,000. Mr. Bingham was a popular man among all classes, a gentleman in the truest sense of the word, and he had a pleasant word for all, and the poor never appealed to him in vain. He leaves a

wife and one son, C. W. Bingham, cashier of the banking house which Mr. Bingham has so long and successfully conducted.

PHILADELPHIA.—The Philadelphia National Bank will open to the public one of the handsomest banking rooms of which this city can boast. Business exigencies have compelled the complete remodeling of the interior of this valuable piece of property. But while making large provision for the new business which is expected to centralize around the Bourse, there has been preserved for the bank proper a commodious and well-lighted room, in which the public will find it pleasant to do their banking. This institution has stood within the shadow of Independence Hall for ninety years, and through all vicissitudes those who have had dealings with it have felt that the proper word to connect with all its transactions was "integrity."

PHILADELPHIA.—General Louis Wagner, president of the Third National Bank, has gained the consent of the Comptroller of the Currency to increase the stock of the bank from its present figure, \$300,000, to \$600,000, should it meet the consent of the stockholders. The object, as stated by General Wagner, is to enable the Third to provide itself with a new and more commodious home. A vote will be taken before the annual meeting in January.

WESTERN STATES.

ILLINOIS.—The Bankers' Association of Illinois, in session at Springfield, has adopted a resolution approving of the abolition of three days of grace. A committee is authorized to present to the coming Legislature a bill for the amendment of the present law.

SPRINGFIELD, ILL.—The Bankers' Association of Illinois has elected the following officers: President, J. P. Odell, of Chicago; vice-presidents, F. W. Tracy, Springfield; F. W. Meyer, Quincy; W. E. Veitch, Jacksonville; James B. Forgan, C. J. Blair, E. G. Keith and John R. Kirk, Chicago; M. T. Robinson, Rockford; Frank Hoblit, Lincoln; C. Andel, Belleville; H. T. Goddard, Mount Carmel; H. B. Dox, Peoria; D. M. Funk, Bloomington; C. E. Wilson, Mattoon; M. B. Castle, Sandwich; F. Plumb, Streator; M. S. Rearich, Ashland; R. J. Whitney, East St. Louis; T. W. Hall, Harrisburg; T. B. Needles, Nashville; C. H. Tolcott, Joliet.

WEST SUPERIOR, WIS.—The Superior National Bank has received a check for \$20,000 from the American Surety Company, of New York, to settle the alleged shortage caused by misappropriation of funds by A. A. Cadwallader, ex-president of the bank, on whose bond the company was. The case against him comes now into the hands of the Surety Company for prosecution. It comes up for a hearing at the Madison United States Court early in December.

MILWAUKEE.—The Bankers' Club at its annual meeting declared it to be the sense of the club that the next annual meeting of the Bankers' Association of America should be held in Milwaukee. The old officers were re-elected, as follows: President, H. H. Camp; vice-president, John Johnston; secretary and treasurer, James K. Illsley; executive committee, F. G. Bigelow, J. W. P. Lombard, J. P. Murphy. Others present at the meeting were: Robert Hill, Washington Becker, H. C. Payne, J. W. P. Lombard, Abbot Lawrence, J. G. Flint, A. A. L. Smith, R. B. Ebert, A. M. Graettinger, C. C. Schmidt and C. F. Pullen.

SOUTHERN STATES.

ATLANTA, GA.—An important bill has been introduced in the Legislature to permit State banks to issue bills. The bill provides that the Governor and Comptroller shall be a commission to have engraved and printed in a manner best calculated to guard against counterfeiting, at the expense of the bank issuing them, such notes as said bank desires after said bank deposits as collateral, State or municipal bonds to an amount equal to the notes. To protect the circulation then the State shall indorse these notes. The law is to take effect as soon as the Governor is notified that Congress has repealed the act levying a tax of 10 per cent. on circulation notes of State banks.

MACON, GA.—Mr. I. C. Plant, the oldest president among the bankers in the South, died on the 16th of November, at the age of 79 years. Mr. Plant was born in New Haven, Conn., Feb. 27, 1804, but came South thirteen years later. He was educated at Columbia, S. C., and when 18 years of age went into business in Augusta. From there he went to Columbus, and afterwards to Brunswick, where

he went as agent of an Augusta bank. In 1839 Mr. Plant moved to Macon, where, up to the outbreak of the war, he acted most successfully as agent of the Marine Bank of Georgia. In 1865 Mr. Plant organized and was elected president of the First National Bank of Macon, and for twenty-seven years has been president of that institution; in 1868 Mr. Plant organized the present house of I. C. Plant & Sons. Mr. Plant was twice married—first to a Miss Walker, of Augusta, who died without issue, and afterwards to Miss Elizabeth Hazlehurst, of Brunswick; four children, who survive both parents, were the result of this union: Robert H. and George H. Plant, of Macon; Mrs. Anna DeGraffenreid, of Atlanta, and Mrs. A. D. Schofield, of Macon. Mr. Plant was a consistent member of the Presbyterian Church, and the funeral took place from the First Presbyterian Church.

FOREIGN.

CANADA.—The financial agency of the Dominion Government in England will be transferred to the Bank of Montreal on New Year's. For the past ten years the contract has been held by the banking house of Glyn, Mills, Currie & Co., and the Barings. The agents pay the interests on the public debt held in Great Britain, which amounts to over \$7,000,000 annually; purchase about \$2,000,000 of bonds annually for the sinking funds, redeem the debt as it falls due, make temporary advances to the Government when required, and issue permanent loans from time to time. Having an office in London and already a large experience in placing loans, both governmental and municipal, the Bank of Montreal is thoroughly equipped to manage efficiently the London business of the Dominion, while its large resources and high credit give it a position of influence on the money market which insures the satisfactory handling of the account. The reserve and surplus funds of this institution are always so ample as to permit of all necessary accommodation being given the Government in the way of temporary loans, pending the issue of bonds for the exchange of debt or to discharge liabilities on capital account.

Sterling exchange has ranged during November at from 4.86 @ 4.88½ for sight, and 4.82¾ @ 4.85¾ for 60 days. Paris—Francs, 5.18½ @ 5.14¾ for sight, and 5.20½ @ 5.16½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85½ @ 4.85¾; bankers' sterling, sight, 4.88 @ 4.88¾; cable transfers, 4.88¾ @ 4.88¾. Paris—Bankers', 60 days, 5.17½ @ 5.16½; sight, 5.15 @ 5.14¾. Antwerp—Commercial, 60 days, 5.18¾ @ 5.18½. Reichmarks (4)—bankers', 60 days, 95½ @ 95¾; sight, 95½ @ 96. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40¾ @ 40 7-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Nov. 7.	Nov. 14.	Nov. 21.	Nov. 28.
Discounts.....	6 @ 6½	6 @ 6½	5½ @ 6	5½ @ 6
Call Loans.....	6 @ 5	5 @ 3	5 @ 4	5 @ 4
Treas. balances, coin.....	\$96,272,747	\$95,541,291	\$96,190,579	\$95,436,646
Do. do currency.....	5,848,276	5,144,893	5,180,987	5,257,692

The reports of the New York Clearing-house returns compare as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Nov. 5.	\$449,019,100	\$73,670,000	\$42,958,900	\$455,841,500	\$5,653,400	\$2,678,525
" 12.	445,958,800	75,143,000	40,437,500	451,006,400	5,608,500	2,678,900
" 19.	444,222,300	77,763,300	39,846,400	451,195,100	5,662,100	4,960,925
" 26.	442,646,000	79,432,400	40,299,500	452,022,200	5,672,200	6,766,350

The Boston bank statement is as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Nov. 5.....	\$163,803,400	\$10,327,600	\$6,130,900	\$148,110,400	\$4,926,100
" 12.....	164,621,600	10,394,000	6,094,900	147,681,900	4,931,100
" 19.....	164,701,300	10,384,500	6,062,600	155,348,000	4,960,400
" 26.....	164,040,100	10,455,900	6,125,100	152,979,400	4,982,400

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	Loans.	Reserves.	Deposits.	Circulation.
Nov. 5.....	\$108,744,000	\$28,039,000	\$109,406,000	\$3,583,000
" 12.....	107,900,000	27,683,000	108,034,000	3,572,000
" 19.....	106,321,000	28,370,000	107,691,000	3,592,000
" 26.....	106,005,000	29,106,000	108,158,000	3,612,000

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from November No., page 394.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY. Chase National Bank.....	Wm. H. Porter, <i>V. P.</i>	John Thompson.
" .. Bank of New York, N. B. A....	J. T. Mills, Jr., <i>Cas.</i>	Wm. H. Porter.
DAK. S. National Bank of Canton, ..	E. S. Mason, <i>P.</i>	Charles M. Fry.*
" .. Canton.	F. H. Bacon, <i>P.</i>	C. B. Kennedy.
DEL.... First Nat. Bank, Wilmington..	N. Noble, <i>V. P.</i>	F. H. Bacon.
ILL.... Columbia National Bank, ..	J. P. Winchester, <i>P.</i>	Edward Betts.
" .. Chicago.	Z. Dwiggins, <i>P.</i>	L. Everingham.
" .. State Bank of Lockport, ..	Val. Seib, <i>ad Ass't</i> .....	.....
" .. Lockport.	F. F. Stowe, <i>P.</i>	Wm. S. Myers.
" .. Farmers & Traders Bank, ..	Chas. A. Asplund, <i>Cas.</i>.....	.....
" .. Meredosia.	J. H. Carver, <i>P.</i>	G. W. Graham.*
" .. Farmers Bank, Orion.....	Henry Goebel, <i>V. P.</i>.....	.....
IND.... First Nat. Bank, Michigan City.	A. L. Love, <i>Cas.</i>	Geo. W. Core.
" .. Peoples State Bank, ..	J. F. Kriedler, <i>Ass't</i>.....	.....
" .. Oakland City.	W. L. West, <i>Cas.</i>	J. J. Cosby.
IOWA.. Commercial Savings Bank, ..	P. Rasmussen, <i>P.</i>	Geo. E. Pearsall.
" .. Milford.	Geo. E. Pearsall, <i>V. P.</i>.....	.....
KAN.... People's Exch. Bank, Elmdale..	A. M. Breese, <i>Cas.</i>	P. C. Jeffrey.
" .. First State Bank, Leoti.....	I. B. Martin, <i>Cas.</i>	Geo. W. Young.
" .. First National Bank, ..	M. E. Richardson, <i>P.</i>	L. L. Turner.
" .. Sedan.	Jas. T. Bradley, <i>Cas.</i>	C. M. Turner.
KY.... Newport Nat. Bank, Newport..	H. M. Healy, <i>Cas.</i>	Waller Overton.*
ME.... First Nat. Bank, Farmington..	Gould A. Porter, <i>Ass't</i>.....	.....
" .. Cumberland National Bank, ..	W. H. Moulton, <i>P.</i>	Horatio N. Jose.*
" .. Portland.	Lindley M. Webb, <i>V. P.</i>	W. H. Moulton.
MD.... First Nat. Bank, Aberdeen.....	R. Harry Webster, <i>Cas.</i>	J. A. J. Medcalf.
MINN... First National Bank, ..	Harry Jones, <i>P.</i>	G. Gulbrandson.
" .. Albert Lea.	G. Gulbrandson, <i>V. P.</i>	W. W. Johnson.
" .. Citizens Bank, ..	Geo. B. Shepherd, <i>V. P.</i>.....	.....
" .. Minneapolis.	W. N. Carroll, <i>Cas.</i>	Geo. B. Shepherd.
" .. First National Bank, ..	T. H. Caley, <i>V. P.</i>.....	.....
" .. Princeton.	Geo. H. Newbert, <i>Ass't</i>.....	.....
MO.... First Nat. Bank, Brunswick....	M. H. Norton, <i>Cas.</i>	A. M. Dumay.
" .. Commercial Nat. B., St. Louis.	C. W. Bergesch, <i>Cas.</i>.....	.....
NEB.... Farmers Nat. B'k, Pawnee City.	H. C. VanHorne, <i>Ass't</i>	W. D. Hartwell.
" .. South Omaha N. B'k, S. Omaha.	H. C. Miller, <i>Ass't</i>.....	.....
N. H.... New Market N. B., New Market.	Joseph N. Cilley, <i>P.</i>	J. C. Burley.
N. J.... First National Bank, Glassboro.	T. W. Synnott, <i>P.</i>	W. Warrick.
N. MEX. Socorro National Bank, ..	B. F. Perea, <i>V. P.</i>	J. S. Sniffen.
" .. Socorro.	J. S. Sniffen, <i>Cas.</i>	J. Bain.
" ..	E. C. McDougal, <i>Cas.</i>	W. C. Cornwell.
N. Y.... Bank of Buffalo, Buffalo	John L. Daniels, <i>Ass't</i>	E. C. McDougal.
" .. First Nat. Bank, Ithaca.....	Geo. Meadway, <i>Ass't</i>.....	.....
" .. National Bank of Rondout, ..	Charles W. Gay, <i>Ass't</i>.....	.....
" .. Rondout.	Wm. Hutton, <i>P.</i>	Ab'm Hasbrouck.
" ..	Chas. A. Schultz, <i>V. P.</i>	Wm. Hutton.
" ..	Ab'm Hasbrouck, <i>Cas.</i>	Jno. B. Alliger.
OHIO... First Nat. Bank, Chillicothe..	Alex. Renick, <i>P.</i>	Amos Smith.*
" .. First Nat. Bank, Portsmouth..	Louis M. Terry, <i>Cas.</i>	A. T. Johnson.
PA.... Citizens Nat. Bank, Johnstown.	B. L. Yeagley, <i>V. P.</i>	John P. Linton.*
" .. Philadelphia Nat. Bank, Phila.	H. Hill, <i>Ass't</i>.....	.....
S. C.... Carolina Sav. Bank, Charleston.	Henry P. Williams, <i>Cas.</i>	John D. Kelly.
TENN... First National Bank, Athens....	J. D. Williams, <i>P.</i>	J. M. Henderson.*
TEXAS.. Central National Bank, Dallas.	E. M. Longcope, <i>P.</i>	T. J. Oliver.
VT.... Brandon Nat. Bank, Brandon..	F. E. Briggs, <i>V. P.</i>	C. Jennings.
VA.... Alleghany Bank, Clifton Forge.	Geo. K. Anderson, <i>Cas.</i>	J. L. Page.*

* Deceased.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from November No., page 395.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ARK....	Black Rock....	Bank of Black Rock..... \$10,000 J. H. Martin, <i>P.</i> Thos. J. Wilson, <i>V. P.</i>	Western National Bank. Jay J. Bryan, <i>Cas.</i>
FLA....	Jacksonville....	Bouknight Banking Co.... \$50,000 S. J. Bouknight, <i>P.</i>	Liberty National Bank. Robt. R. Baxley, <i>Cas.</i>
GA....	Atlanta.....	Exchange Bank..... \$27,000 Egbert B. Rosser, <i>P.</i> George R. DeSaussure, <i>V. P.</i>	United States Nat. Bank. R. C. DeSaussure, <i>Cas.</i>
ILL....	Bement.....	First National Bank..... \$50,000 Wm. M. Camp, <i>P.</i> Wm. T. Bower, <i>V. P.</i>	..... Harry S. Bower, <i>Cas.</i>
"	..Chicago.....	Bank of Nova Scotia..... \$1,500,000	Bank of New York, N. B. A. H. C. McLeod, <i>Mgr.</i>
"	..Franklin.....	Farmers & Merchants Bank.	C. H. Tietz, <i>Cas.</i>
"	..Monticello	First National Bank..... \$50,000 Wm. Noecker, <i>P.</i> John N. Dighton, <i>V. P.</i>	Hanover National Bank. Otis W. Moore, <i>Cas.</i>
IND....	Bloomington...	Monroe Co. State Bank.... \$25,000 Hiram E. Wells, <i>P.</i> Jas. T. Carroll, <i>V. P.</i>	..... Samuel K. Rhorer, <i>Cas.</i>
"	..Connersville...	Fayette Banking Co..... \$16,000 John B. McFarlan, <i>P.</i>	Chase National Bank. Joseph I. Little, <i>Cas.</i> P. H. Kensler, <i>Ass't.</i>
"	..Jonesboro	State Bank..... \$40,000 L. C. Curtis, <i>P.</i> E. M. Whitson, <i>V. P.</i>	United States National Bank. Edward L. Zeis, <i>Cas.</i> Chas. F. Zeis, <i>Ass't.</i>
IOWA...	Glidden.....	First National Bank..... \$50,000 S. C. Dunkle, <i>P.</i>	..... D. E. Waldron, <i>Cas.</i>
"	..Hopkinton.....	Hopkinton Bank..... F. B. Doolittle, <i>P.</i> F. E. Williamson, <i>V. P.</i>	..... C. E. Merriam, <i>Cas.</i>
"	..Sioux Rapids...	First National Bank..... \$50,000 J. P. Farmer, <i>P.</i> O. P. Thompson, <i>V. P.</i>	Chase National Bank. F. H. Helsell, <i>Cas.</i>
KAN....	Everest.....	Everest State Bank..... \$11,000 John Lyons, <i>P.</i> H. I. Bode, <i>V. P.</i>	Importers & Traders Nat. Bank. Sam'l P. Zimmerman, <i>Cas.</i>
KY.....	Glasgow.....	First National Bank..... \$50,000 G. C. Young, <i>P.</i> J. B. Delvoux, <i>V. P.</i>	Phenix National Bank. W. B. Smith, <i>Cas.</i> S. T. Young, <i>Ass't.</i>
MICH...	Britton.....	Exchange Bank..... \$5,000 John Britton, <i>P.</i> Samuel Kniffen, <i>V. P.</i>	Chase National Bank. L. C. Hoagland, <i>Cas.</i>
MO....	Carthage.....	Carthage National Bank... \$100,000 David R. Goucher, <i>P.</i>	..... Joseph L. Moore, <i>Cas.</i>
PA.....	Ellwood City...	First National Bank..... \$100,000 D. A. Dangler, <i>P.</i> J. Sharp Wilson, <i>V. P.</i>	Nat. Bank of North America. John Sherwin, <i>Cas.</i>
TEXAS..	De Leon.....	Bank of De Leon..... \$15,000	Gilman, Son & Co. William Dale, <i>Cas.</i>
WASH...	Kalama.....	Cowlitz Co. Bank..... \$25,000 F. M. Wade, <i>P.</i> J. A. Burk, <i>V. P.</i>	Hanover National Bank. J. P. Atkin, <i>Cas.</i>
WIS....	Milwaukee.....	Central National Bank..... \$300,000 Geo. G. Houghton, <i>P.</i> Abbott Lawrence, <i>V. P.</i>	..... Herman F. Wolf, <i>Cas.</i> R. W. Houghton, <i>2d V. P.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
WIS....	Milwaukee \$1,000,000	Wisconsin National Bank.. Frederick Pabst, <i>P.</i> Robert Hill, <i>V. P.</i>	Fourth National Bank. Frederick Kasten, <i>Cas.</i>
" ..	Racine..... \$100,000	Commercial & Sav. Bank.. L. S. Blake, <i>P.</i> E. C. Deane, <i>V. P.</i>	Seaboard National Bank. C. R. Carpenter, <i>Cas.</i>
" ..	Randolph..... \$25,000	Randolph State Bank..... Fred. L. Warner, <i>P.</i> Edw'd Davies, <i>V. P.</i>	..... E. D. Evans, <i>Cas.</i>

PROJECTED BANKING INSTITUTIONS.

- ALA....SylacaugaNew bank to be started.
- ARK....Brinkley.....Peoples Savings Bank to be opened January 1st.
- CAL....Oakland.....Farmers and Merchants Savings Bank; capital, \$500,000.
Directors: C. E. Palmer, Thos. Prather, S. B. McKee, F. S. Osgood, A. W. Schafer, W. H. Taylor, R. S. Farrelly, H. F. Gordon, W. H. Bailey.
- " ..SusanvilleFirst Bank of Lassen County; capital, \$50,000. O. G. Linnington, President; J. F. Hines, Vice-President.
- COL....Denver.Fifteenth Street Bank; capital, \$100,000. Robert G. Lockwood, Cashier.
- CONN...Windsor Locks. John P. Healy is starting a State bank and trust company with capital of \$25,000.
- FLA....Orlando.....Fruit Growers Bank; capital, \$50,000. Hon. Cecil G. Butt, Manager.
- GA.....Atlanta.....Fidelity Banking and Trust Co.; capital, \$200,000. Samuel Young, President; M. C. Kiser, Vice-President; Chas. Runnetts, Cashier.
- " ..Buford.....Bank of Buford; William S. Witham, President; T. A. Maynard, Vice-President; John F. Espy, Cashier.
- " ..Yatesville.....New bank to be started.
- ILL....ChicagoProvident Savings Bank of Chicago; capital, \$250,000. Organizers: Azel F. Hatch, Charles H. Hulburd, Edward C. Kitcher.
- " ..Edinburg... ..Citizens State Bank; capital, \$25,000.
- " ..Farm Ridge....Farmers State Bank; capital, \$30,000. A. M. Mills, President; B. V. Gordon, Cashier.
- " ..MahometMahomet Bank. George L. McClure, Cashier.
- IND....Elwood.....Col. A. L. Conger is starting a bank here with a capital of \$100,000.
- " ..Indianapolis...State Bank of Indiana. Sterling R. Holt, President; Winfield T. Durbin, Secretary; Jas. R. Henry, Cashier.
- IOWA...Shannon.....New bank to be started.
- " ..Silver City....Farmers State Bank; capital, \$35,000. S. W. Jacobs, President; G. P. Dwalt, Cashier.
- " ..Sioux Rapids.. A new bank will soon be established here.
- " ..Storm Lake....Commercial State Bank.
- KAN....Toronto.....Toronto Bank; capital, \$5,000.
- LA.Bastrop.....Natchez, Miss., capitalists will open a bank here.
- ME....Bangor.....Baldwin Bros., bankers and brokers.
- " ..NewportA National bank to be established here.
- " ..PortlandSafe Deposit and Trust Co., organized; capital, \$500,000.
- " ..Waterville....Waterville Safety Deposit and Trust Co.
- MASS...Cambridge....Safety Trust and Deposit Co. L. W. Cutting, Cashier.
- MICH...Edwardsburg..Dwiggins, Starbuck & Co., Schoolcraft bankers, will start a bank at Edwardsburg.

- MICH...Ewen.....Wm. H. Gardner, of Edmore, will start a bank at Ewen.
- ..Kalamazoo.....Home Savings Bank organized; capital, \$50,000. H. P. Coleman, President.
 - ..Northville.....First State Savings Bank; capital, \$25,000. Hon. J. M. Swift, President; Hon. Wm. P. Yerkes, Vice-President; L. A. Babbitt, Cashier.
 - ..Pontiac.....Oakland Co. Savings Bank; capital, \$50,000. B. G. Stout, President; A. C. Baldwin, Vice-President; C. W. French, of Muir, Cashier; D. H. Power, of Fowler, Ass't Cashier.
 - ..South Haven..Citizens Savings Bank; capital, \$50,000.
- MINN...Balaton.....Farmers and Merchants Bank; G. S. Coman, President; F. L. Wirick, Cashier.
- MO....Westport.....Bank of Westport; capital, \$10,000. Incorporators: David Merriweather, W. H. Plum, A. Hahn, Samuel Ellis, Reuben K. Johnson, James C. Rieger, Edward F. Phillips.
- NFB....Beatrice.....Private bank to be started. Stockholders: Milo Baker, W. P. Norcross, J. E. Bush, O. N. Wheelock, Eugene Wheelock.
- ..Somerset.Somerset Trust Co.; capital, \$200,000. Incorporators: John S. Kay, W. E. Davis.
- N. J....Montclair.....Montclair Savings Bank.
- ..Paterson.....Five Cent Savings Bank.
- N. Y....Brooklyn.....Union Loan and Trust Co.; capital, \$250,000. John Pullman will be President.
- ..Kinderhook....A new bank with capital of \$50,000. Apply Hon. Charles D. Haines.
 - ..Niagara Falls..Arthur Shoellkopf, Geo. B. Matthews and others are starting a new bank with \$100,000 capital.
 - ..Onondaga.....Trust and Deposit Co.
- OHIO...Celina.....New National bank to be established.
- ..Medina.....Medina Savings Deposit Bank.
 - ..Orwell.....New bank here.
 - ..Toledo.....Home Savings Bank. Incorporators: D. V. R. Manley, A. L. Spitzer, M. A. Scott, A. M. Woolson, Carl F. Braun, and others.
- PA.....Forest City.....A bank will be established here soon.
- ..Hanover.....Peoples Bank of Hanover; capital, \$50,000. Incorporators: J. H. Bittinger, J. C. Farger, J. H. Colehouse, J. O. Allewelt, Geo. S. Kring, Samuel Bowman, E. C. Ehrehart, Hanover; Washington Metzgar, Abbottstown; J. A. Klinefelter, Glenville; Geo. C. Sheeley, New Oxford.
 - ..Philadelphia...Bankers Alliance Trust Co. Assistant Secretary of the Treasury Nettleton will be President. Will begin business on capital of \$10,000,000.
 - ..Steelton.....A National bank to be organized here.
 - ..Spangsville....Bellefonte capitalists will open a bank at Spangsville.
 - ..Washington...Dime Savings Institution. Dr. Thos. McKennan, President; John W. Seaman, Secretary; James K. Mitchell, Cashier.
- TEXAS..Beeville.....Heber Stone, D. C. Stone and Dr. Luther B. Creath will start a bank at Beeville.
- UTAH..Salt Lake City..W. E. Lake, formerly of Oswego, N. Y., is engaged in banking business at Salt Lake City.
- VT.....Barre.....Barre Savings Bank incorporated.
- WASH..Elberton.....Bank to be started; capital, \$25,000.
- WIS....Milwaukee....Security Savings and Loan Co.; capital, \$5,000,000. Incorporators: C. E. Bentley, H. M. Blood, Joseph Shreck and others.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during November, 1892.

- FLA....Pensacola.....Citizens National Bank, by L. Hilton Green and associates.
 IDAHO...Pocatello.....Idaho National Bank, by R. B. Richardson, Park City, Utah, and associates.
 ILL....Bement.....First National Bank, by Wm. T. Bower and associates.
 • ..Blue Island....Blue Island National Bank, by William Z. Partello and associates.
 • ..Kewanee.....Kewanee National Bank, by Geo. A. Anthony and associates.
 IND....Alexandria.....Alexandria National Bank, by C. F. Heritage and associates.
 • ..East Chicago...National Bank of East Chicago, by Peter Dudley, Chicago, Ill., and associates.
 • ..Elkhart.....Indiana National Bank, by J. L. Broderick and associates.
 • ..Noblesville.....First National Bank, by Pierre Gray, Indianapolis, Ind., and associates.
 IOWA...MalvernFarmers National Bank, by Wm. M. Evans and associates.
 • ..MalvernMalvern National Bank, by L. Bentley and associates.
 MASS....G't Barrington.Second National Bank, by Jas. M. Burns, Pittsfield, Mass., and associates.
 • ..HaverhillMerchants National Bank, by Wm. H. Johnson and associates.
 MINN...Litchfield.....First National Bank, by Peter E. Hanson and associates.
 MONT...Phillipsburg....Merchants & Miners National Bank, by C. H. Eshbaugh and associates.
 N. Y...New York.....Franklin National Bank, by Charles F. James and associates.
 • ..White Plains ..First National Bank, by Jasper T. Van Vleck and associates.
 OHIO...ArcanumFirst National Bank, by C. F. Parks and associates.
 • ..MedinaOld Phoenix National Bank, by R. M. McDowell and associates.
 PA.Belle Vernon...First National Bank, by Jos. A. Cook and associates.
 • ..Phillipsburg....First National Bank, by M. C. Berkley and associates.
 VA.....Luray.....Luray National Bank, by R. D. Davis, Ashland, Ky., and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from November No., page 398.)

No.	Name and Place.	President.	Cashier.	Capital.
4812	Merchants National Bank..... Grand Forks, N. Dak.	A. W. Warren,	D. P. McLaurin,	\$50,000
4813	Putnam National Bank..... Palatka, Fla.	Martin Griffin,	Geo. L. Pace,	50,000
4814	First National Bank Glidden, Ia.	S. C. Dunkle,	D. E. Waldron,	50,000
4815	Carthage National Bank..... Carthage, Mo.	David R. Goucher,	Joseph L. Moore,	100,000
4816	Central National Bank..... Milwaukee, Wis.	George G. Houghton,	Herman F. Wolf,	300,000
4817	Wisconsin National Bank.... Milwaukee, Wis.	Fred. Pabst,	Fred'k Kasten,	1,000,000
4818	First National Bank..... Ellwood City, Pa.	D. A. Dangler,	John Sherwin,	100,000
4819	First National Bank..... Glasgow, Ky.	G. C. Young,	W. B. Smith,	50,000

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, NOVEMBER, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in November.									
GOVERNMENTS.			Interest Periods.	Open- ing.	High- est.	Low- est.	Close- ing.		
25, 1907	reg.	Quarterly	Mar.	100	100 1/2	100	100 1/2	100	100 1/2
4, 1907	reg.		Jan.	114 1/2	114 1/2	113 1/2	113 1/2	113 1/2	113 1/2
4, 1907	coup.		Jan.	114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	114 1/2
65, cur'cy, 1893, reg.		Quarterly	Feb.	107 1/2	107 1/2	105	105	105	105
68, cur'cy, 1868, reg.			Jan.	109 1/2	110 1/2	109 1/2	109 1/2	109 1/2	109 1/2
68, cur'cy, 1868, reg.			&	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2
68, cur'cy, 1868, reg.			July.	113 1/2	115 1/2	112 1/2	112 1/2	112 1/2	112 1/2
68, cur'cy, 1869, reg.				115	118	115 1/2	115 1/2	115 1/2	115 1/2
				Open- ing.	High- est.	Low- est.	Close- ing.		
RAILROAD STOCKS.									
Atlantic & Pacific.				86	5 1/2	86	4 1/2	4 1/2	4 1/2
Canadian Pacific.				58 1/2	58 1/2	55 1/2	55 1/2	55 1/2	55 1/2
Central of N. J.				29	29	28 1/2	28 1/2	28 1/2	28 1/2
Central Pacific.				22 1/2	24 1/2	22 1/2	22 1/2	22 1/2	22 1/2
Ches. & Ohio.				1st pref.	60 1/2	60 1/2	60 1/2	60 1/2	60 1/2
Chic. & Alton.				—	—	—	—	—	—
Chic. & Do.				—	—	—	—	—	—
Chic. B. & O.				103 1/2	104 1/2	98 1/2	98 1/2	98 1/2	98 1/2
Chic. & East'n Ill.				—	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Chic. & Do.				—	102	99	99	99	99
Chic. M. & St. P.				80 1/2	81 1/2	77 1/2	77 1/2	77 1/2	77 1/2
Chic. & Do.				124 1/2	124 1/2	121	121	121	121
Chic. & N. W.				116 1/2	116 1/2	114 1/2	114 1/2	114 1/2	114 1/2
Chic. & Do.				—	143	139	139	139	139
Chic. R. I. & P.				84 1/2	84 1/2	79 1/2	79 1/2	79 1/2	79 1/2
Chic. R. I. & P.				53 1/2	53 1/2	47 1/2	47 1/2	47 1/2	47 1/2
Chic. R. I. & P.				119 1/2	119 1/2	115 1/2	115 1/2	115 1/2	115 1/2
C. C. & St. L.				65 1/2	65 1/2	59 1/2	59 1/2	59 1/2	59 1/2
RAILROAD STOCKS.									
Atlantic & Pacific.				—	—	—	—	—	—
Canadian Pacific.				—	—	—	—	—	—
Central of N. J.				—	—	—	—	—	—
Central Pacific.				—	—	—	—	—	—
Ches. & Ohio.				—	—	—	—	—	—
Chic. & Alton.				—	—	—	—	—	—
Chic. & Do.				—	—	—	—	—	—
Chic. B. & O.				—	—	—	—	—	—
Chic. & East'n Ill.				—	—	—	—	—	—
Chic. & Do.				—	—	—	—	—	—
Chic. M. & St. P.				—	—	—	—	—	—
Chic. & Do.				—	—	—	—	—	—
Chic. & N. W.				—	—	—	—	—	—
Chic. & Do.				—	—	—	—	—	—
Chic. R. I. & P.				—	—	—	—	—	—
Chic. R. I. & P.				—	—	—	—	—	—
Chic. R. I. & P.				—	—	—	—	—	—
C. C. & St. L.				—	—	—	—	—	—

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

JANUARY, 1893.

No. 7.

THE FUTURE OF BANKING.

A few years ago it was believed that the National banking system would soon come to an end in consequence of the rapid extinction of the public debt. There were those indeed who favored the adoption of some plan for continuing the system, even though there were no bonds, or only a small amount, to support a bank; but, of course, if such a plan had been adopted, the circulation would practically become extinct. The object of having any bonds at all by those who thought in this way was to avoid the constitutional objection of having a bank without any connection whatever with Government loans, or in some way connected with a Government agency. But the situation is entirely changed in consequence of the depletion of the National revenues, whereby debt-paying has come to an end. There seems to be no prospect of resuming the old policy, save by a considerable increase of taxation, which, as all know, would be unpopular. Having been reduced, Congress will be very slow to put it back again. On the other hand, the country is constantly increasing in population, and so, even if greater economy was introduced in many ways, the expenditures must increase. It is clear, therefore, that the National debt, instead of coming to an end in a few years, is to be perpetuated for a very considerable period, and, since this is the case, there is no reason why the National banking system cannot be prolonged for a similar period.

The price of the bonds, too, has become very greatly reduced. The fours are now selling at 114, while a few years ago their price was 130. The banks that purchased at the higher figure as a basis for the circulation issued by them have experienced something of a loss, which is the more uncomfortable because it could not be prevented. Bonds must be had to comply with the law, and the fours not long since seemed to be the most desirable to purchase. But now they have fallen to this lower figure and the risk of purchasing is comparatively slight, and thus another reason exists for extending the National banking system.

Putting these two changed facts together, the National banking system is endowed with a new life, and we firmly believe that it is likely to continue for many years and to flourish wherever it may be attempted or established. So long as it exists, together with the silver product, all the currency needed will be furnished, but if the use of silver should come to an end, then the question of an adequate circulating medium would become very serious. So long, however, as the use of silver continues, with the considerable increase in the bank note circulation which is likely to take place, there is no currency question on hand in the immediate future.

It is very probable that the existing law for the use of silver will indeed be repealed or greatly modified, but we cannot help thinking that the use of silver in some form will be continued. There has been a belief all along that the thing to do was to establish an international value for silver, and that, if this could be done, and especially if it was coupled with free coinage, that this country and the other leading countries of the world would acquire all the circulation they need; but we think that the last conference has destroyed the hopes of all who believed in such a settlement of the question. This must be regarded as having come to an end, and, being out of the way, we must look in a new direction for the use of silver. What is this? Clearly, the use of silver not on an international basis; not at a fixed inflexible rate determined by law, but the use of silver at what it is really worth in the markets of the world. It is noteworthy how rapidly the current of opinion is tending in this direction, now that all hope of establishing a fixed valuation by the nations of the world has ended. Until a few months ago those who were loud in declaring that the only and true remedy was an international basis now clearly see hope in the use of silver at an honest basis, or at what it is worth in the world's market. As we have elsewhere shown, various plans have already been worked out for the use of silver in this manner, and we have no doubt that the result of this agitation will be some practical plan for

the continuance of silver at its real value. This, we repeat, with the currency that is likely to be furnished by the National banks in the years to come, in a larger quantity in all probability than has been furnished for a number of years past, will yield all the money needed for the uses of business.

THE SILVER QUESTION.

Mr. R. P. Rothwell, editor of the *Engineering and Mining Journal*, has formulated a plan for solving the silver question, which is given herewith.

What we would propose as a complete solution of the problem, not a temporary palliative or expedient, may be briefly outlined as follows: The appointment by the associated nations (which we assume would be all nations) of an International Monetary Clearing House, with powers:

1. To ascertain periodically the amount of money, that is, of gold, silver and uncovered notes, held by each country during the preceding one or two years. These amounts to form the basis for the proportions in which the several nations will join in the purchase of all silver offered.
2. Every National transaction in the purchase or sale of money to pass through the Clearing House.
3. This monetary Clearing House to purchase, for common account, such an amount of silver (say 25 per cent. of their holdings) from each of the silver basis countries as is necessary to put it on the bimetallic basis, and to allot this silver among all the associated countries.
4. The Clearing House can issue international certificates, redeemable in gold or silver, at holder's option, for the gold and silver purchased.
5. The Clearing House to determine from time to time, say at intervals of 5 or 10 years, what, if any, change in the value-ratio of gold and silver is called for by the changed conditions of production.
6. The transactions of the monetary Clearing House to be published daily or weekly.

Mr. Rothwell is a firm believer in the use of both metals, regarding, as many do, that gold is insufficient for the monetary uses of the world. The essence of his plan consists in using silver at a gold valuation. The plan does not differ in its chief feature from the one proposed in a recent number of the *MAGAZINE*. In truth, there is no serious difficulty in settling the silver question, so called, whenever it shall be agreed to use silver at its worth in gold. This end can be effected in many ways. It would seem to us that Mr. Rothwell's plan is a practicable one, and would accomplish the end desired. Mr. Roderick P. Smith has formulated another plan, the outlines of which may be briefly stated. The main points covered are as follows:

First. Each certificate dollar produced under the operation of this bill is invariably equal in value to a gold dollar.

Second. The note-holder is always secure.

Third. The Government, which acts as the custodian and trustee of the silver bullion against which the notes are issued, is always safe, regardless of the price of silver.

A synopsis of the bill is as follows :

Section I. provides for the limitless deposit of silver bullion, and the issue of treasury notes therefor at its market price in gold.

Section II. provides for the denominations of the notes, which run from one dollar to ten thousand dollars, and for the form of the notes, which is as follows :

"This certifies that there has been deposited in the Treasury of the United States an amount of silver equal in value to one gold dollar. This note is redeemable in an amount of silver equal in value to one gold dollar on demand, when presented in the amount of one hundred dollars or more."

Section III. provides for the legal-tender quality of the notes.

Section IV. provides for the redemption of the notes in an amount of silver equal in gold value to the number of dollars demanded. All notes so redeemed are to be destroyed.

Section V. provides against danger from a "corner," or an inflated price in the silver market.

Section VI. provides that the redemption fund shall be kept intact, and used for no purpose other than the redemption of the notes.

Section VII. provides a method for keeping the market value of the redemption fund intact in case of a decline in the price of silver.

It seems to us that Mr. Smith's plan is not so practicable as Mr. Rothwell's.

FINANCIAL FACTS AND OPINIONS.

Comptroller Hepburn's Recommendations.—It is unfortunate that the recommendations of the officers of the National Government have so little weight in legislation. The source of our legislation is with the committees of the House, who are appointed by the Speaker; and thus it comes to pass that a single man in the United States practically determines the legislation of the country. In England, and in most foreign countries, the more important legislation emanates with the ministers, and if they fail in securing its adoption they must give way to others. But our ministry is a wholly irresponsible one. They are not required to make any recommendations, and are not responsible for what they do. It is to be regretted that officers who are appointed, and who generally possess a much larger intelligence than the average Congressman, have so little to do in directing the destinies of legislation. Generally, it may be said that their recommendations, however sound and well wrought out, fail to be enacted into law. Rarely indeed is a Secretary or other officer made happy by the putting of his idea into legal form, and yet these officers, it must be admitted, have usually studied the problems before them with much greater care than the average Congressman. Comptroller

Hepburn is experienced in matters of banking. He has been engaged in the business in one way and another for many years. He has dared to recommend more than his immediate predecessors, though well knowing the fate of even the few recommendations which they made to Congress. His recommendations will be approved probably by the entire banking class of the country, and yet we should be surprised if a single one of them received the favorable attention of Congress. We herewith append these recommendations, which are worthy of the careful study of all bankers :

1. That the minimum deposit of Government bonds required of National banks be \$1,000 in case of banks of \$50,000 capital and \$5,000 in case of banks whose capital exceeds \$50,000.

2. That banks be allowed to issue circulating notes equal to the par value of the bonds held to secure circulation.

3. That the monthly withdrawal of bonds pledged to secure circulation shall not exceed \$4,500,000 in the aggregate.

4. That the tax on National bank circulation be repealed. The banks have already paid into the Treasury \$72,670,412 in taxes upon circulation. The banks should only be assessed an amount sufficient to defray the actual cost to the Government of providing circulation.

5. That the limit of the amount which may be loaned to any person, company, corporation, or firm, to 10 per cent. of the capital stock of the bank, be so amended as to read "capital and surplus," and also that an exception be made in favor of temporary loans secured by collateral in our largest business centers.

6. That the Government issue bonds having twenty, thirty, and forty years to run, at a low rate of interest, with which to retire the present bonded debt of the United States, which bonds may be used as a basis to secure National bank circulation. The Comptroller shows that, by exchanging a 2 per cent. bond, having the same length of time to run, for the 4 per cent. bonds outstanding, at the market value of each on Oct. 31, 1892, the Government could have saved \$67,161,551. In addition to furnishing a permanent basis for circulation, it would prove a great saving to the taxpayers of the country.

7. That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, be empowered to remove officers and directors of banks for violations of law, leaving the vacancy so caused to be filled in the usual way, first giving such officers and directors an opportunity to be heard.

8. That Bank Examiners be required to take an oath of office before entering upon the discharge of their duties, and give bond in such amount and with such sureties as the Comptroller of the Currency may require.

9. That the Comptroller of the Currency be allowed to appoint two General Examiners of conspicuous ability and experience, to be paid out of the public funds, whose duty it shall be to visit, assist, and supervise the various Examiners in their several districts, in order to secure uniformity in method and greater efficiency in work.

10. That the law be so amended as to prohibit officers and employees of a bank borrowing its funds in any manner except upon application to and approval by the board of directors.

11. In order to facilitate the collection of assessments upon stockholders of failed National banks, that the receivers of such banks be required to file with the County Clerk or Register of each county in which any stockholder may reside, a statement showing the names of the stock-

holders who reside in such county and the amount of the stock held by them, respectively, the filing of such statement to constitute a lien upon any realty of said stockholder, which lien may be vacated on motion and giving proper bond, and shall be discharged by the receiver upon payment of the assessment.

12. Section 380 Revised Statutes reads: "All suits and proceedings arising out of the provisions of law governing National banks in which the United States or any of its officers or agents shall be parties shall be conducted by the United States Attorneys of the several districts, under the supervision of the Solicitor of the Treasury." Under this section it is claimed that United States Attorneys are *ex-officio* attorneys of receivers of all failed National banks within their respective districts, and that all suits and proceedings must be instituted by or through them. The Comptroller says it is difficult to believe that the courts will sustain such a construction of the statute, that it is a physical impossibility for the United States Attorneys to attend to this business, and that it leads to largess charges to the Government. He suggests that the section be so amended as to leave the employment of other than United States Attorneys in the discretion of the Comptroller.

Interest on Bonded Debts.—The census statistics show a marked decrease in the average rate of interest on the National bonded debt, as well as on the State and municipal indebtedness of the country. This is quite in harmony with the operation of the rate of interest all over the world. The value of capital is declining more and more, so that, notwithstanding the larger increase of individual wealth, there is a smaller income. It has been maintained by German economists that the rate of interest will ultimately fall so low that capital will cease to make any exertions to increase, and when this happens a loss in the world's wealth must begin. The question is full of reflections. A large class of people are passing from a more prosperous to a less prosperous condition—in other words, have less to spend and cannot support themselves and buy and engage in enterprises with the same freedom which they could in a former period.

The Brussels Monetary Conference.—The last conference for improving the status of silver has ended as every one supposed it would end, namely, in the accomplishing of nothing. The blame has been laid on the American representatives who had so little to offer, while the conference was called chiefly at the request of the American nation. The English representatives were divided in sentiment, some of them seeing what many others have long seen, that the time has not yet come for lessening the use of silver, but the other representatives were rigid in the maintenance of their old views. They declared that England had gold enough to make all of its payments, and, therefore, there was no need of action on its part. It was admitted that India, which is the chief possession of the British crown, was suffering in consequence of the wretched condition of its finances, but there seemed to be no

disposition on the part of the English representatives to do anything for India. So the conference has adjourned, which is only a pleasant way of ending this final attempt, probably, at the international adjustment of the value of silver. If, however, nothing can be accomplished through the leading nations of the world, then the operators of silver, and all who are interested in its use, must turn to other sources for relief.

The Growth of National Banks.—The report of the Comptroller of the Currency for the past year, ending October 30th, shows that the number of new incorporations during the last seven years have been as follows:

<i>Year.</i>	<i>Number.</i>	<i>Capital.</i>
1884.....	191	\$16,042,230
1885.....	145	16,938,000
1886.....	174	21,358,000
1887.....	225	30,546,000
1888.....	132	12,053,000
1889.....	211	21,240,000
1890.....	307	36,250,000
1891.....	193	20,700,000
1892.....	163	15,285,000

The largest number have been in the State of Texas, which has twenty-two banks; the next largest number is in the State of Iowa, which has thirteen; Indiana, twelve; Ohio, eleven; Pennsylvania, ten, and the remainder are scattered among all the other States and Territories of the Union.

Protection of Minority Stockholders.—A bill has been introduced into Congress for the protection of minority stockholders in National banks. By this it is unlawful for the directors of any National bank with a capital of \$100,000 or less after the bank has accumulated a surplus fund and undivided profit equal to its capital, to accumulate (after deducting losses) more than 25 per cent. of the net earnings of the bank in each year, as either surplus fund or otherwise, except with the consent of shareholders owning 75 per cent. of the bank's stock. The salaries to the officers of such banks are not to aggregate more than 10 per cent. of the capital, except with the consent of stockholders owning 75 per cent. of capital stock; nor shall a salary be paid to non-resident officers except with the consent of the shareholders. The bill certainly is a conservative one, and should have the support of all, and it is to be hoped that, notwithstanding the shortness of the session, Congress will regard this measure with favor.

Misgoverned Cuba.—Probably the administration of Cuba is the most corrupt and incapable of any Government on the face of the earth. When the McKinley act was introduced in Congress in 1890 Spain proposed a new tariff for its West India colonies, by which

the discriminations against American exports were increased fully twenty per cent. By the operation of the reciprocity treaty, however, the Spanish Government was compelled to make concessions to the United States by which the revenues of the islands were reduced. A new scheme of internal taxation was then devised for making good the deficiencies of the revenue. This scheme excited violent opposition. It consisted principally in higher taxes in various forms on tobacco manufacturers and the sugar planters. Finally a compromise was effected whereby an additional tax of thirty per cent. is levied on their exported product. The manufacturers were willing to concede to it because they thought that at least one-half would be paid by foreign consumers, while the remaining half would be a light burden in comparison with the taxation originally proposed. The sugar planters have also obtained concessions which have diminished the burdens that would have been borne had the original scheme been put in force. These taxes have increased the burdens on production. Another tax which has been raised by the new schedule is the cedula, which virtually affects every taxpayer on the island. The cedula is a certificate which every man is required to obtain once a year, and which is ordinarily carried about in the pocket in order that it may be produced whenever it is called for. It is an official declaration of nationality, birth, occupation and residence, and is constantly used in the transaction of business. The cost of a cedula has varied from twelve cents to \$50 a year, and has been assessed with reference, mainly, to house rent and income. Under the new schedules the officials are empowered to increase the cost very much at their discretion. It is asserted that the expense of a cedula for a taxpayer having an income of \$2,000 will be \$100. The burden will fall upon every taxpayer, and will be at least double what it has been. Increased taxation is accompanied by an indefensible policy of farming out these sources of revenue. Not long ago a match tax was levied in the form of a one-cent stamp upon every box containing 100 matches. This tax has been farmed out to a syndicate for a fixed sum paid into the treasury; but the receipts have very largely exceeded the estimates, and have enriched those who secured the privilege of collecting the tax. The direct taxes are farmed out in the same way. The Government has announced that the collection of the cedula tax will be disposed of in this way upon the payment of \$250,000 by a syndicate. It is thought by prominent Cubans that, with the increased charges for cedulas, this tax may yield as much as \$1,000,000, although only 25 per cent. of it will be received by the State. The Spanish Government is currently reported to have sold the privilege of collecting the customs revenues to a Spanish and French banking syndicate for a period of three years. Madrid dis

patches in the Havana press state that the bargain has been consummated for the sum of \$15,000,000. If this intelligence be fully confirmed, it will be an indication that the Spanish Government is reduced to the extremity of farming out the business of collecting the chief revenues of its West Indian colonies. It will be a confession that the Spanish civil service is so utterly corrupt and demoralized that it can no longer be depended upon to administer the custom houses.

Indian Wheat Exports.—Some interesting details of the exports of wheat from India are furnished in an official report to the British Government. Until the opening of the Suez Canal no trade in wheat was possible, the cost and duration of the transit round the Cape having the double effect of making Indian wheat too dear for the European market, and of spoiling it by giving weevils time to do their work of destruction. Even after the opening of the Canal it was discovered that there was still an impediment to the trade in the existence of an export duty, which was removed in 1873. At that time the quantity exported was only 394,000 cwt., but with the removal of the duty it increased until it exceeded six million cwt. in 1887. Then followed the three years' famine. With the return of plenty, a reduction of prices, the completion of railway communications, and consequently the reduction of cost of transport, trade was able to take its full development. In 1880-'81 the exports were still under 7½ million cwt.; in the following year they approached twenty millions. Since then there has been no appreciable development, last year's exports amounting to over thirty million cwt., being considered abnormal, and unlikely to recur. Taking the whole trade, it is estimated that the average quantity of wheat which Europe will take from India in ordinary times is not quite one million tons, and on the whole that quantity has not been exceeded during the last ten years.

A REVIEW OF FINANCE AND BUSINESS.

GENERAL TRADE AND MANUFACTURES IN 1892.

The last month of the year is seldom remarkable for important developments in the financial and commercial world; and the last month of the past year was no exception to the rule. It was, however, a full rounding out, of a very good year, in most branches of business, without booms in any but cotton and provisions. The textile manufactures of this country, and especially of cotton, have led the procession of general improvement over the business of a year ago. This industry has not had so good a year, on this side the Atlantic, in a long series, although in Great Britain, it has had the worst year in an equally long period. The woolen industry has not had so profitable a year, as the cotton; yet, it has been much better employed than for several years; and, at living, if not very profitable prices, while both are in good condition at the close, with no heavy accumulations of stocks to carry over. The dry goods trade of the country generally, excepting in the South, has not been in as good condition for years, as it is now, after a very successful season. The distribution of goods has not only been large, but they have passed into the hands of consumers, been paid for, and remittances made to the manufacturer's agents.

A GOOD YEAR FOR AGRICULTURAL PRODUCERS ALSO.

Hence collections have been good, outside of the South; and, even there they have improved since the boom in cotton set in on the short crop of this year, which has been a blessing, though in disguise; for it has enabled the planters to dispose of the balance of the old crop, which was larger than usual, at a very good profit, and to make a fair one on the present crop, even with the shortage. The wool growers have not been so fortunate this year as the cotton planters, but they did not suffer so severely last year; and both are in better condition than a year ago. As to the other great agricultural producers, the growers of live stock, and especially of hogs and beef cattle, have had a phenomenally good year, especially the latter half, and particularly the hog raisers, who have been getting nearly double the prices of last year, while the prices of corn have been lower, yet corn and oat growers, or producers of the feed crops, have been getting very fair prices; and for hay and potatoes and other root crops, as well as for fruit. Wheat raisers only have suffered from extreme low prices, and their losses have been made up in part

by the profit on other crops. Wheat has touched the lowest prices on record, and flour has followed and left both the wheat grower and the flour manufacturer with but little to show for his year's work except when the millers have sold their product ahead and bought their wheat later on the declining market. But this is gambling on the market; and the chances are rather that the majority of millers pursued the legitimate though less profitable course, and bought their wheat when they sold their flour or before. In the latter case only loss could result on a steadily declining market for wheat, such as we have had for nearly a year, or since the 1891 European short crop boom began to peter out. Indeed, little but loss has been experienced by the wheat and flour trade the past year, although the bulk of it has been sustained by the European importers, who do not use the option system of sales as a hedge against cash purchasers, so generally as our merchants and millers do. Hence but few failures, or crippling losses have been sustained on this side compared with Europe, where the grain trade has lost more the past year on the long side of grain than they had made in many years before on the short side of our markets. As a consequence, this country has gotten back most of the millions that had been taken out of it, by Europe, in speculation, during the previous half decade of declining markets. The grain and milling interests therefore are by no means crippled or in an unsound condition, even if their profits on the year's business are smaller than in the previous year of advancing markets. As a rule, therefore, the mercantile and agricultural classes, as well as the industrial, have had a good year and are in good shape. The chief exception is in

THE IRON TRADE,

which had been overdone in previous years to meet the abnormal requirements of rapid and general railroad extension, until the productive capacity of the country was far in excess of the natural demand. Hence, like railroad building, with which it went hand in hand, it has had to wait for the growth of the country to overtake its producing capacity, as the railroads are waiting for it to catch up with its transportation facilities. Structural iron is about the only branch of the iron trade that has been at all active and remunerative the past year; and this has been really good, not only for building purposes, stimulated largely by the building of accommodations for the coming World's Fair at Chicago, but also for elevated railroad structures and cable street railroads, and parts for the rapid extension of the trolley street railways throughout the country. There has been a fair amount of car building, to increase the freight capacity of many of our railroads sufficiently

to enable them to handle the enormous crops of last year, and also a good deal of motive power for the same purpose has been built, to relieve the chronic car famine every autumn when the crops are moving in volume. But outside of these two branches of the trade and a few specialties, connected with electric lighting and the application of electricity to motive power, there has been but little activity and little profit in the iron trade, while the steel rail branch has been positively dull, though prices have been held by the combination from a serious break. The great strikes in this trade have also added loss where common sense and common humanity on both sides would have saved millions to both capital and labor.

THE COAL TRADE

has been an experiment that is not yet worked out; and cannot be called a success until it has been successfully established as a permanent condition, although prices have been put up an average of \$1.00 per ton in the past year by the Reading anthracite combination, which has "held the bag" for the producers, who refused to go into it, and for whom it has been a great success so far, as it has enabled them to get more than their natural share of the trade at the expense of the combination, by cutting a little under its prices, which were only sustained by continued production on its part, while the outside producers were free to increase their production. The Pennsylvania Railroad has taken the lead in this diversion of the anthracite trade from the old anthracite producers and carriers, until it is now one of the great powers in this trade, as it has been in the bituminous coal trade for years. It has opened new mines and increased its facilities, until it can now permanently supply a large part of the anthracite trade that has gone hitherto to the old companies. Other producers have done the same thing on a smaller scale, until the result has been seen the past month in an almost complete blockade and famine in coal cars on the Reading system, and especially on its main line. This is the result of mining coal until all its depots and cars were full, and its side tracks blockaded from its mines to tide water, in order to make a good showing of tonnage in its annual statement, although it was unable to sell its output because others undersold it, and it could not meet the cut without precipitating an anthracite war which would defeat the one object of the combination, if not break it up. Whether the present policy will avert that catastrophe in the end it is too soon to judge, although the financial difficulties of the combination must increase with the present conditions of the trade, until its head will be confronted with its old difficulties and the enormous cost of its reorganization prove only an addition to a burden that was

already too heavy for it to bear. The mild weather of the early part of December was very unfavorable to the trade, although the better demand the last half of the month has enabled the Reading to resume work, which had been almost suspended at its mines.

THE MONEY MARKET AND GOLD EXPORTS.

The course of the money market, and the movement of gold have been so closely connected, the past year, that neither can be considered apart from its relations to the other. During the early part of the year our exports were so heavy, of domestic produce, and continued so large, to the end of the crop year, July 1st, that neither the money market, nor the gold movement attracted much attention, nor had much influence on commercial or financial affairs. But with the beginning of this crop year and the outflow of currency to the interior, and of gold to Europe, to pay, respectively for our crops and heavy imports, the situation has changed, from one of ease in money and unconcern for the loss of our gold, to one of closeness, or stringency in the money market, and of alarm at the unusual, unexpected and continuous outflow of the precious metal. To understand the causes of the latter, in the face of exports, in the first half of this crop year, above the normal volume, though below that of last year, we are compelled to look beyond our imports and exports, and the resulting balance of trade. Last year, we accounted for the disappointing imports of gold, in payment for our abnormal exports, on the ground that Europe had been left so poor from the Argentine collapse and the Baring failure, that it was compelled to send home our securities held as an investment abroad, in order to secure food for man and feed for beast. But the same thing has continued, since these abnormal exports ceased and since Europe has had her new crops to draw upon, until fears of the continued outflow of gold have alarmed investors on both sides of the Atlantic, and they have traced the movement to other causes, chief of which is the belief that our silver policy is driving gold out of circulation and out of the country; and, unless changed, that it will yet render our Treasury unable to maintain its gold reserve and bring on a monetary crisis in this country. This alarm has perceptibly increased since the failure of the International "Bimetallic" Conference. Yet the United States is not in so much danger of a silver crisis now, as it was before the Conference met, because it has been convinced that it can obtain little or no help from Europe in maintaining the double standard, and that it must take action independently to undo the cause of the present danger, by repealing our silver coinage laws, and enter the contest with the great commercial

powers of Europe for hoarding gold, until another Baring crisis shall bring them to a realizing sense of their own insecurity from panic, under the single standard, and compel her to aid in the restoration of silver to its former and necessary place in the currency of nations. The only one good of this Conference, so far, has been to convince this country that it is worse than folly for it to continue to try to maintain the double standard alone. Leading bankers tell us they are now remitting gold to the other side for securities sold by Europe, simply because of this silver scare; and, that money invested here, for foreign account, is being withdrawn and gold shipped to the other side for the same reason. The future of the money market and the movement of gold therefore depend upon these artificial and not upon natural causes, and the action of Congress, on the Silver Problem, will have more to do in determining both, than the condition of our domestic industries or the balance of trade with Europe.

THE RAILROAD SITUATION

has neither improved nor grown worse the past year as a rule. A year ago they were at the height of the enormous movement of the largest crops ever raised, into the widest export channels ever open. Certainly they could have no better conditions, so far as their freight traffic went, than they then engaged. After the great rush of that movement was over, which happened early in the spring of 1892, the amount of traffic fell off materially, especially after the opening of inland navigation by the great lakes and rivers in May, when the roads were obliged to compete with low water rates or get very little seaboard traffic. This was done, and experiments made, with through grain trains, to see how low grain could be carried from the West to tide water, and not lose money. Since the new crop year came in there has been an improvement, and most of the great systems have had plenty of freight. Yet, from one cause and another, rates have remained very low compared with former times. Hence, the same complaint has been general this year as last, that while gross earnings have shown a gratifying increase over former years, the percentage of net revenues has steadily declined. In other words, the roads are not making much, if anything, from their enormous increase in traffic. To remedy this, it has been proposed to revive the old and discarded pooling system, prohibited by the Interstate Commerce Law, which must be violated or repealed, in order to apply the only remedy for this state of things, as viewed by railway managers. Hence, the record of our railway earnings for the past year is not what had been expected, and their outlook for the future, though not any worse, is not so flattering as their enormous increase in tonnage had led people to expect.

THE CONDITION OF THE STOCK MARKET.

The result has been seen in a dull, and on the whole a Bear stock market, barring a few specialties, such as the coal stocks, which were boomed at the beginning of the year by the coal combination's grand scheme of consolidation, which has not yet fulfilled the expectations of its originators; and the Boston & Maine-New England-Reading consolidation, for purposes of through traffic to and from the coal fields and New England industrial centers. Outside these systems and a few pooled stocks there has been no great movement in the securities of our railways and other corporations, except in the Gould stocks, which advanced sharply after his death and removal from control of some of the best corporate properties in the country, which the average investor would not touch, though cheaper than any equal dividend payers on the list, except the discredited "Industrials," simply because they feared to touch anything with which Gould's name was connected as manager. Now investors are buying these stocks for the first time since his name justly became a terror to investors as well as to Wall Street.

The tumble in the "Industrials," noted in last month's issue, was renewed again on the tight money market of the middle of the past month, when the refusal of conservative banks to lend upon them as collateral, since the election of November, was regarded as the signal of the doom of Trusts, compelled a further liquidation in their "securities" which have been the worst gambling stocks ever listed on the Stock Exchange, and their manipulation by their managers the most unscrupulous. As the public will not buy them now, the insiders are compelled to hold them whether they go down or up, in order to keep the bottom from dropping entirely out of the market for their properties.

THE EUROPEAN CARRYING TRADE

has probably had one of the lowest years, or rather half years, in its history. During the early half of 1892 their freight traffic from this side was enormous, in carrying our great crops to supply the great shortage in Europe. But this fell off gradually as we approached the new crop year, and rates dropped back to nearly the old 1891 level, of a ballast basis for grain. But their passenger traffic was so great, including the enormous rush of steerage immigrants to this country, that the revenues of the regular line steamers were not seriously affected till the cholera scare, which knocked them entirely out of one of their greatest and most constant sources of revenue—this emigrant traffic westward—at the same time that it seriously curtailed our exports eastward, and to some extent our imports from Europe; since that time

they have had nothing but loss, so far as the majority of the regular liners are concerned, whose great ships cannot be run economically nor on reduced expenses with safety to their passengers and property. The result is seen in the withdrawal of one of the oldest and once most popular line of steamers—the Guion—which quits the Atlantic trade, after nearly half a century's existence, with the expiration of the old year, because it cannot pay its expenses and return a profit to its owners. * If such is the case with one of the oldest and best established lines, it is clear that the other lines must all be suffering also, although no further withdrawals from this service have yet been announced, except of individual ships. But it is fair to presume, that unless there is improvement either in east or west-bound traffic of some sort, other ships will be tied up if other lines do not go out of service. It is a good thing for this country, that few of these ships are owned this side the Atlantic.

H. A. PIERCE.



Specie in Europe.—The stock of bullion in the principal European banks at the close of the week ending December 29 was: Bank of England—Gold, 1892, £24,397,928; 1891, £22,295,403; increase, £2,102,525. Bank of France—Gold, 1892, £68,347,806; 1891, £53,503,000; increase, £14,844,806; silver, 1892, £50,832,614; 1891, £50,169,000; increase, £663,614. Bank of Germany—Gold, 1892, £33,080,250; 1891, £33,820,500; decrease, £740,250; silver, 1892, £11,026,750; 1891, £11,273,500; decrease, £246,750. Austro-Hungary—Gold, 1892, £10,546,000; 1891, £5,454,000; increase, £5,092,000; silver, 1892, £16,839,000; 1891, £16,663,000; increase, £176,000. Netherlands—Gold, 1892, £3,187,000; 1891, £3,241,000; decrease, £54,000; silver, 1892, £7,104,000; 1891, £6,542,000; increase, £562,000. National Bank of Belgium—Gold, 1892, £3,057,333; 1891, £2,731,333; increase, £326,000; silver, 1892, £1,528,667; 1891, £1,365,667; increase, £163,000. Spain—Gold, 1892, £7,611,000; 1891, £6,400,000; increase, £1,211,000; silver, 1892, £5,243,000; 1891, £4,257,000; increase, £986,000. Total gold—1892, £150,227,317; 1891, £127,445,236; increase, £22,782,081. Total silver—1892, £92,574,031; 1891, £90,270,167; increase, £2,303,864.

BANK COLLECTIONS.*

[CONCLUDED.]

PRESENTMENT OF DRAFTS FOR ACCEPTANCE AND SURRENDER OF
BILLS OF LADING.

In the way of a general exposition of the law relating to the presentment of drafts, Judge Shipman has said:† "The general duty of an agent who receives for collection a bill of exchange is to use due diligence in presenting the same for acceptance, and in presenting it for payment if it has been accepted, and to give the holder and other parties to the paper, by the next day's post, the notices of dishonor required by law in case acceptance or payment is refused, and to give to his principal any special notice which is required by the terms of the instructions to the agent, or of the contract which the agent has entered into with his principal. The agent is also required to protest, in case of non-acceptance or non-payment, if protest is not forbidden, and to send the protest to the holder."‡

* Copyrighted by HOMANS PUBLISHING COMPANY.

† *Merchants & Manufacturers' Nat. Bank v. Stafford Nat. Bank*, 44 Conn. 564, 567.

‡ *Walker v. Bank of State of New York*, 9 N. Y. 582; *Hamilton v. Cunningham*, 2 Brock. 350. In *Montgomery Co. Bank v. Albany City Bank*, 7 N. Y. 456, 460, Jewitt, J., said: "I consider it a rule of law well settled in this State, that when a bank receives from the owner a bill for collection, payable either at the place where such bank carries on its business, or at some distant place, it thereby becomes the agent of the owner for the collection, and in the discharge of its obligations as such, if the bill has not been accepted, it is bound to present the same for acceptance without unreasonable delay, as well as to present the same for payment when it becomes payable; and if not accepted when presented for that purpose, or not paid when presented for payment, it must take such steps by protest and notice as are necessary to charge the drawer and indorser, or it will be liable to its principal, the owner, for the damages which the latter sustains by any neglect to perform such duties, unless there be some agreement to the contrary, express or implied. And if it be necessary or convenient for the bank to employ some other bank or individual to collect the bill either at the place of its location or at a distant place where the bill is payable, and it does employ another bank or individual to whom it transmits the bill for that purpose, the latter, on receiving the bill and entering upon the discharge of the trust, becomes the agent of the former bank and not of the owner, and in the absence of any agreement to the contrary is answerable to it for any neglect in the discharge of its duties as agent, whereby the former bank sustains any loss or damage. The principle is, that when a trust is confided to an agent, and he whose interest is intrusted is damnified by the neglect of one whom the agent employs in the discharge of the trust, the agent employed shall answer to the person damnified." (*Smedes v. Bank of Utica*, 20 Johns. 372, affd. 3 Cow. 662; *Allen v. Suydam*, 20 Wend. 321; *Allen v. Mer-*

The most obvious rule is, a bank must follow instructions.* When they are disregarded the offender must answer for the consequences. Thus, a bank, having taken a solvent bill for collection, before it matured, was instructed to permit a renewal for a further term of credit, on condition that a solvent indorser should be given on the new instrument. The bank suffered the renewal to be made without such indorser, surrendering the former bill to the acceptor, and reporting that a renewal had taken place in conformity with instructions. The holder was injured in consequence of the subsequent insolvency of the acceptor during the extended term of credit, and the bank was holden for the damage sustained.†

A firm in Michigan left for collection with a bank in that State a sight draft for \$500 on J. C., treasurer of a corporation in Connecticut, which sent the same to the defendant bank with directions to "return at once without protest if not paid." It presented the draft to the drawee, who replied that he would look up his account with the drawers and inform the cashier with regard to payment. The drawers had also written to J. C. that such a draft had been forwarded, and he wrote in reply: "The \$500 draft has been received and paid. Don't draw any more." On the receipt of this letter the drawers showed it to the Michigan bank, which, believing that the draft had been duly paid, also paid the drawers \$500. J. C., the drawee, was also the president of the defendant bank, and this fact was known to the one in Michigan. Several days later the cashier returned the draft unpaid, which was his first information to the Michigan bank with regard to the matter. It then demanded repayment of the drawers, which was refused. They were solvent but had no visible property, and the claim could not have been collected without much difficulty. It was held, first, that the defendant bank, as agent of the other for the collection of the draft, had been guilty of negligence in not obtaining payment of the draft or returning it at once to the Michigan bank. Second, that although the Michigan bank paid the money to the drawers on the statement of the drawee to the

chants' Bank, 22 Wend. 215; *Denny v. Manhattan Co.*, 2 Denio 115, affd. 5 Denio 639; *Colvin v. Holbrook*, 2 N. Y. 126; *Van Wart v. Woolley*, 3 Barn. & Cress. 439.)

* *Bank v. Huggins*, 3 Ala. 206, 212; *Camden v. Doremus*, 3 How. 515; *Freeman v. Citizens' Nat. Bank*, 78 Ia. 150.

† A bank having for collection a draft by L. on C., received money in part payment and a sight draft and a ten days' sight draft on B., in settlement of L.'s draft on C. B. paid one draft and accepted the other at ten days. On maturity the bank presented it to B. for payment, which was refused, but the bank did not protest it so as to charge the drawer. This was negligence, and the bank became liable for the amount. (*Capitol State Bank v. Lane*, 52 Miss. 677.)

drawers that the draft had been paid, yet, as it would have been saved from loss if the defendant bank had performed its duty, the defendant was liable for the actual damages resulting from its neglect. Third, that these damages were to be regarded as the whole amount paid by the plaintiff bank to the drawers, and that it had a right to recover this sum, although it had a cause of action for the whole amount against them.

In *Freeman v. Citizens' National Bank*,* drafts were sent to the bank with the instruction that if not paid "to wire us and await our reply." The draft not having been paid, the bank complied with the instruction, but instead of receiving a reply by telegraph, a letter was sent making inquiry concerning the acceptance of the drafts. The bank received no instructions to bring a suit. Afterwards the plaintiffs sought to hold the bank negligent in not instituting legal proceedings against the debtors to collect the drafts, but the court held that they had obeyed their instructions and consequently were not liable.

In *Fahy v. Fargo*,† the plaintiff gave a draft to Fargo for collection, instructing him that if it was not paid on presentation to hold the same one day, and if not then paid to return it. The draft was presented to the drawee on the third day after receiving it, and various excuses were made for not paying the same. Fargo held it several days at their request and then returned it, which was the first notice the plaintiff had of its dishonor. For several days after Fargo received it the drawee's partnership and individual property were not exempt from execution. Just before returning the draft they assigned all their property and preferred some creditors, not, however, including the plaintiff. Fargo could have complied with the instructions he received and have returned the draft much earlier than he did. The court held that the law presumed that the plaintiff could have collected the claim against the drawee if Fargo had followed instructions. The defendant, therefore, was liable.

In another case, at the time of indorsing and transferring a note, it was agreed that if not paid at maturity the holder should use reasonable and due diligence to collect it from the drawer and prior indorsees before resorting to the last indorser. These conditions were beyond those implied in the ordinary transfer of commercial instruments, but were binding on the holder.‡

When a draft for collection is payable at sight or at an indefinite time, it must be presented to the drawee for acceptance without unreasonable delay or the drawer and indorsers will be

* 78 Ia. 150.

† 17 N. Y. Supp. 344.

‡ *Camden v. Doremus*, 3 How. 515.

discharged, for their interest consists in having the bill accepted immediately in order to shorten the time of payment and thus limit the period of their liability.*

But when a draft is payable at a fixed date, presentment for acceptance by the owner is not necessary. Nor is the rule affected by the stating of the place in the draft where it is payable.†

Again, save in the State of New York, a collecting bank is no more required to present a draft payable at a fixed date for payment than the owner himself. It was, indeed, formally declared by the Court of Errors of New York in 1838, that "an agent who receives a bill of exchange for collection, which has not been accepted, is bound to present the same for acceptance without unreasonable delay, as well as to present the same for payment when it becomes due, or he will be liable to his principal for the damages which the latter sustains by his negligence."‡ And judges on several occasions have repeated the rule.§

* 1 Daniel on Neg. Inst., § 454.

† *Bank v. Triplett*, 1 Pet. 25; *Townsley v. Sumrall*, 2 Pet. 170; *Allen v. Suydam*, 20 Wend. 321; 1 Daniel on Neg. Inst., § 454.

‡ *Allen v. Suydam*, 20 Wend. 321, 338.

§ "An agent receiving for collection before maturity, a draft payable on a particular day after date, is held to due diligence in making presentment for acceptance, and, if chargeable with negligence therein, is liable to the owner for all damages he has sustained by such negligence. (*Allen v. Suydam*, 20 Wend. 321; *Walker v. Bank of the State of New York*, 9 N. Y. 582.) The drawer or indorser of such a draft is, indeed, not discharged by the neglect of the holder to present it for acceptance before it becomes due. (*Bank v. Triplett*, 1 Pet. 25, 35; *Townsley v. Sumrall*, 2 Pet. 170, 178.) But, if the draft is presented for acceptance and dishonored before it becomes due, notice of such dishonor must be given to the drawer or indorser, or he will be discharged. (*Bank v. Triplett*, 1 Pet. 25, 35; *Allen v. Suydam*, 20 Wend. 321; *Walker v. Bank of the State of New York*, 9 N. Y. 582; *Goodall v. Dolley*, 1 East 712; Bayley on Bills, 2d Am. ed. 213; 3 Kent's Comm. 82.) Moreover, the owner of a draft payable on a day certain, though not bound to present it for acceptance in order to hold the drawer or indorser, has an interest in having it presented for acceptance without delay, for it is only by accepting it that the drawee becomes bound to pay it, and on the dishonor of the draft by non-acceptance, and due protest and notice, the owner has a right of action at once against the drawer and indorser, without waiting for the maturity of the draft; and his agent to collect the draft is bound to do what a prudent principal would do. (3 Kent's Comm. 94; *Robinson v. Ames*, 20 Johns. 146; *Lenox v. Cook*, 8 Mass. 460; *Ballingalls v. Glosier*, 3 East 481; *Whitehead v. Walker*, 10 Mees. & Wels. 696; *Walker v. Bank of the State of New York*, 9 N. Y. 582.) These are the remarks of Mr. Justice Blatchford in *Exchange Nat. Bank v. Third Nat. Bank*, 112 U. S. 276, 290, and are a restatement of the law in New York on the subject. So are the following remarks by Judge Wallace in *Woolen v. New York & Erie Bank*, 12 Blatchf. 359, 361: "By receiving a draft for collection, the bank receiving becomes the agent of the owner, and, in the discharge of its obligations as such, is bound to present the same for acceptance without unreasonable delay, and to present the same for payment at its maturity; and, if not accepted, or not paid when presented, it must take such steps, by pro-

But it is believed that not a single decision can be found by courts in other States* imposing this duty on a collecting agent. Banks very generally, however, do present such drafts for acceptance, as though they were of the same character as those first mentioned, and the practice may well be observed. But the statements of judges and text writers that this is a positive requirement is incorrect, except in New York. On what reasons is the requirement founded? Says Senator Verplanck:† "Legal authority as well as commercial usage has long settled as a general rule, that the holder of a bill of exchange, payable at a specified time, is not obliged to present such bill for acceptance in order to hold the drawer or prior indorser. It is, indeed, usual as well as prudent, to do so, both for the sake of the added security and better credit of the paper, and because, in case of refusal, recourse may be had immediately to the drawer. It is, therefore, the duty of an agent for collection to exert the customary prudence, and present such paper for acceptance without delay, since, by neglect, his principal may either lose the drawee's security and the credit it gives, or else be prevented from making such inquiries and demands, or using such legal or precautionary measures towards the drawer or other parties as might tend to secure his debt."

The strongest reasons exist why the New York rule should not be followed. No principle of law is better established, or rests on stronger foundations than this, that an agent is not generally required to exercise more ability, prudence and diligence than his principal. In no case have the courts held that the owner of a draft payable at a fixed date must present it for acceptance; what reason, then, exists for imposing a larger duty on the agent than the principal himself must exercise? The necessity for presentation is no greater when the draft is held by the agent than when it is held by the principal; the agent stands in his place, acts for him, and no reason is seen why he should present it if his principal need not do so. The situation of the drawee and indorser are not in the least changed by the transference of

test and notice, as are necessary to charge the drawer and indorser. While, ordinarily, it is not necessary to present a draft for acceptance, presentment and demand of payment at maturity, with due notice and protest, if not paid, being sufficient to hold the drawer and indorser. This rule does not obtain as to a collecting agent, but prompt presentment for acceptance is required, so that, in case of non-acceptance, the owner can resort immediately, and before maturity, to the drawer. (*Allen v. Suydam*, 17 Wend. 368, revsd. 20 Wend. 321.) Upon failure to discharge this duty, the receiving bank becomes liable as for negligence for any damages resulting from the default."

* Except, perhaps, *Bank of Scotland v. Hamilton*, 1 Bell's Com. on the Laws of Scotland, 409.

† *Allen v. Suydam*, 20 Wend. 321, 331.

the draft for collection from the principal to the agent. Finally, is not the more rational way of looking at this question to require the principal to give instructions to present it for acceptance if he wishes this to be done, and in the absence of these to assume that the principal expected the agent would do no more than he would himself if retaining possession of the instrument and presenting it?

But there is a good reason for not presenting such a draft for acceptance. If presented as soon as received by the collecting bank there may be no funds in the possession of the drawee, and he may be unwilling to accept it; but if presentment is delayed until it is due, there may be funds in its hands for paying it. When a bill is thus drawn, payable at a fixed date, no promise is implied that funds will be in the possession of the drawee from the time of drawing it until payment any more than is implied in a note payable at a fixed date at a bank. No one ever thinks of presenting such a note before it is due and inquiring if the maker had funds there for paying it; why should the holder of a draft or his agent expect that the drawer will provide funds for paying it before it is due, and if he has not done this ought the holder to expect that the drawee will agree to pay it? He would hardly agree to pay a note: why should the drawee of a draft be any more willing to incur such an obligation? It is true that a bill of exchange imparts that a debt is due from the drawee to the drawer, which is to be used to pay the bill,* but this is one of those venerable presumptions which formerly rested on fact, but whose basis was long ago swept away by commerce. In the days of slow locomotion the drawee did have funds in his possession on which the drawer founded his bill, but this is no longer so. The true import of a bill drawn on time, like a note given on time, is that it will be paid when due, and the drawer probably has not the smallest intention of providing the drawee with funds until very near the time of payment. For this reason such a bill ought not to be presented for acceptance.

When, however, a draft payable at a fixed date is presented for acceptance, as is often done, and dishonored, notice of the dishonor must be given to the drawer and indorser, or they will be discharged.†

Furthermore, when a bill of exchange is protested for non-acceptance, a right of action accrues immediately to the holder; he is not bound to present it for non-payment.‡

* *Griffith v. Reed*, 21 Wend. 502.

† *Bank v. Triplett*, 1 Pet. 25; *Allen v. Suydam*, 20 Wend. 321; *Walker v. Bank*, 9 N. Y. 582; *Goodall v. Dolley*, 1 East 712.

‡ *Lenox v. Bank*, 8 Mass. 460.

Very often drafts accompanied with bills of lading are sent to banks for collection, on which some important questions have arisen, which relate especially to the surrender of the bill of lading. Shall this be done when the drafts are accepted, or shall they be retained until they are paid? Several rules may be given which cover most of the cases that arise in banking business.

First. Whenever instructions are received, relating to the collection of the draft and surrender of the accompanying bill of lading, of course these must be followed; if the bank violates them it is clearly liable.* One of the most important cases of this character is *Dows v. National Exchange Bank*.† McL. & Co., Milwaukee, Wis., bought and paid for wheat on account of S. & Co., of Oswego, N. Y., and took bills of lading in which they were described as shippers of wheat which was to be delivered to F., cashier of Merchants' Bank, Watertown, N. Y. McL. & Co. presented drafts drawn on S. & Co., with the bills of lading described attached thereto, to the National Exchange Bank of Milwaukee, which discounted the drafts, and by indorsement on the bills of lading directed the wheat to be delivered to S. & Co. on payment of them, and sent invoices of them to S. & Co. It was decided that McL. & Co. remained owners of the wheat, notwithstanding their transmission of invoices to S. & Co. In delivering the opinion of the court Mr. Justice Strong said: "It follows that McLaren & Co. remained the owners of the wheat, notwithstanding their transmission of the invoices to Smith & Co. As owners, then, they had a right to transfer it to the plaintiff as a security for the acceptance and payment of their drafts drawn against it. This they did by taking bills of lading deliverable to the cashier of the plaintiff, and handing them over with the drafts when the latter were discounted. These bills of lading unexplained are almost conclusive proof of an intention to reserve to the shipper the *jus disponendi*, and prevent the property in the wheat from passing to the drawees of the drafts."

Second. When the bill of lading is attached to a sight draft it must not be delivered until the draft is paid.‡

Third. When a draft is sent to a bank accompanied with a bill of lading for the purpose of procuring acceptance and ultimate payment, the bill of lading must be surrendered when the draft is accepted. Speaking for the Supreme Court of Louisiana, Mr. Justice Breau has remarked, in a recent case:§ "It is the duty of the collecting agent immediately after receiving a bill for collection, to take the steps necessary to its prompt acceptance,

* *Bank v. Metropolitan Nat. Bank*, 97 N. Y. 639.

† 91 U. S. 618, 630.

‡ *Second Nat. Bank v. Cummings*, 18 So. W. Rep. 115 (Tenn.)

§ *Moore v. Louisiana Nat. Bank*, 10 So. Rep. 467.

and if the instrument be not accepted, he must take the necessary step to fix the liability of the drawee. If he fails he becomes liable. In order to obtain the acceptance of the drawee, should he decline, unless there are conditions to the contrary of which he is advised, he must deliver the warehouse receipts attached. If he retains them he fails to make the delivery of the property the seller is bound to make. He retains the property without any instructions from the seller. Without delivery of the property the drawee's acceptance would be without consideration, and his draft would be placed in commerce without his having received anything.* The owner of the draft in controversy tried to prove a usage that the bill of lading was not detached in such cases, but failed. The analysis of the testimony showed that it was not customary to retain warehouse receipts and bills of lading attached to time drafts when they had been accepted.

In *St. Paul Roller Mill Co. v. Great Western Dispatch Co.*,† the roller mill shipped a car load of flour by the defendant's line to Boston, taking a bill of lading which showed a consignment to itself. At the same time it made a draft on W. of Boston, which was forwarded with the bill of lading attached unindorsed to the Tremont National Bank of Boston "for acceptance and collection." W., on presentation, accepted the draft and received the bill of lading from the bank without indorsement. He afterward indorsed and transferred the bill of lading to the National Bank of Redemption for a debt. Before the flour arrived at Boston the roller mill company notified the defendant not to deliver the flour to W. or his assigns. On its arrival the National Bank of Redemption claimed to be the owner, and having demanded the same, it was delivered to the bank. It was contended that the bill of lading, which ran to the order of the shipper and was delivered to W. without indorsement, carried on its face notice that he held it subject to equities between prior parties, but Judge Nelson said: "The Tremont Bank was the agent of plaintiff, and, in the absence of any instructions further than appeared by the indorsement on the draft, had no right to hold the bill of lading after the draft was accepted. It is of no importance that it was delivered unindorsed. It was the intention of the shipper that its agent should deliver the bill of lading on the acceptance of the draft. Such is the legal inference from the facts, and it is not qualified by the additional words 'for collection.'"

In some State courts it has been held that when the bill of lading is made deliverable to the order of the vendor and

* *National Bank v. Merchants' Bank*, 91 U. S. 92; *Second Nat. Bank v. Cummings*, 18 So. W. Rep. 115 (Tenn.); *St. Paul Roller Mill Co. v. Great Western Dispatch Co.*, 27 Fed. Rep. 434.

† 27 Fed. Rep. 434.

drawer instead of the drawee and vendee, the collecting agent is not authorized to deliver it until the draft attached thereto is paid. And if the collecting bank should deliver the bill of lading indorsed and in violation of this well-established rule, the property can be recovered by the consignors if it can be traced.* Says Mr. Justice Lurton: "A special agent authorized to deliver a bill of lading only upon payment of the bill of exchange drawn against the goods and attached to the bill of lading, cannot bind his principal by a delivery without such payment. . . And third persons dealing with property thus shipped, though acting in good faith in the regular course of business, and paying value, are chargeable with constructive notice, and acquire no better title than the drawee."† The taking of bills of lading making the goods deliverable to the order of the shipper, rather than to the person for whom they are ultimately intended, has been considered almost conclusive proof of the intention on the part of the consignor to retain the *jus disponendi*, although subject to be rebutted.

In *Security Bank v. Luttgen*,‡ a merchant shipped goods by a common carrier, taking bills of lading whereby the goods were to be delivered at their destination to the shipper or his order. The merchant then drew bills of exchange for the price of the goods on the person who ordered them payable to the seller's order thirty days after sight, to which was attached the bills of lading indorsed in blank. The draft also was indorsed in blank, discounted at a bank, the seller agreeing verbally with the institution that the bills of lading should not be delivered to the drawee until the drafts were paid. The court decided that independently of this agreement the transaction did not import a sale of goods or credit, and that the drawee was not entitled to the bills of lading on his acceptance of the drafts and before payment.§

There is an evident conflict between the two last rules. The State courts are more inclined to retain the ownership of the merchandise in the interest of the shipper. The indorsement seems to be important in indicating a transfer of ownership,

* *Second Nat. Bank v. Cummings*, So. Rep. 115; *Dows v. National Bank*, 91 U. S. 618, 631; *Security Bank v. Luttgen*, 29 Minn. 363.

† *Second Nat. Bank v. Cummings*, 18 So. W. Rep. 115, 117, citing *Farmers & Mechanics' Nat. Bank v. Logan*, 74 N. Y. 568; *Hieshell v. Bank*, 89 Pa. 155; *Dows v. Bank*, 91 U. S. 631.

‡ 29 Minn. 363.

§ *Dows v. National Exchange Bank*, 91 U. S. 618; *Farmers & Mechanics' Nat. Bank v. Logan*, 74 N. Y. 568; *Seymour v. Newton*, 105 Mass. 272; *Stollenwerck v. Thacker*, 115 Mass. 224; *Newcomb v. Boston & Lowell R. Corp.*, 115 Mass. 230; *Jenkyns v. Brown*, 14 Q. B. 496; *Mason v. Great Western Ry. Co.*, 31 U. C. Q. B. 73; *First Nat. Bank v. Crabtree*, 52 N. W. Rep. 559 (Ia.); *Emery's Sons v. Irving Nat. Bank*, 25 Ohio St. 360.

while in the Federal cases the transmission of the draft with authority to collect the same seems to imply authority to indorse the same if necessary, and thus gives the transferee a good title to the merchandise. The State courts, on the other hand, seem to hold that when a draft is sent for collection, to which a bill of lading is attached, taken to the order of the shipper, the collecting agent has no authority to indorse the same, and therefore the title remains in the consignor, and consequently he can hold the merchandise wherever it can be traced. The conflict, therefore, between the two rules is irreconcilable. The Federal rule is more generally applied, and doubtless the interests of commerce require that it should be observed rather than the other.

We shall close this chapter by embodying the rules set forth by the eminent author of Negotiable Instruments, Mr. Daniel: * "First. That the indorsee of a bill of lading attached to a draft which he acquires upon the faith and credit of the bill of lading, takes it subject to the agreement between the consignor and consignee of the goods; and that if the consignor has the right to withhold the bill of lading until the draft is paid, the *bona fide* holder of the draft has the same right.† Second. That in the absence of a special agreement, a time draft with a bill of lading for the goods, for or on account of which it is drawn, indicates that the bill of lading is to be surrendered to the drawee of the draft upon its acceptance; and that the holder of the draft cannot withhold its delivery when the acceptance is given, unless the shipper of the goods has a right to do so.‡ Third. That where a bill of exchange is drawn upon a shipment, on time, with the bill of lading attached, the holder cannot (at least in the absence of proof of a local usage to the contrary, or of the imminent insolvency of the drawee) require the drawee to accept the bill of exchange, except on the delivery of the bill of lading; and when, in consequence of the refusal of the holder to deliver the bill of lading, acceptance is refused, and the bill of exchange is protested, the protest will be without cause, and the drawer will be discharged.§ Fourth. That the drawee of the bill of exchange attached to the bill of lading is not entitled to the bill of lading or the property therein described except upon acceptance, or payment of the bill of exchange, according to the nature of the case and the

* Vol. 2, § 1,734c.

† *Heiskell v. Farmers & Mechanics' Nat. Bank*, 89 Pa. 155; *Dows v. National Exchange Bank*, 91 U. S. 618; *Emery's Sons v. Irving Nat. Bank*, 25 Ohio St. 360; *Marine Bank v. Wright*, 48 N. Y. 1.

‡ *National Bank v. Merchants' Bank*, 91 U. S. 92; *Marine Bank v. Wright*, 48 N. Y. 1.

§ *Lanfear v. Blossom*, 1 La. Ann. 148; *National Bank v. Merchants' Bank*, 91 U. S. 92.

agreement with the shipper of the goods, who drew the draft.* Fifth. That a party discounting a bill of exchange on the faith of the indorsement of a bill of lading for goods deliverable to order acquires the same lien on the goods as security for the draft as he would acquire if the goods themselves were delivered to him instead of the bill of lading.†

THE BANK OF ST. GEORGE AND COLUMBUS.‡

When the bankers of this and other countries flock to the World's Columbian Exposition at Chicago, they may like to remember that the discoverer of America, whose memory is so grandly honored, had a proper appreciation of the importance of the banking profession. Indeed, he contemplated reposing a great trust in a famous old bank, and though eventually the will had to be taken for the deed, his good intentions ought to be known to every banker.

Historians do not find it altogether an easy question to decide just when and where the first public bank began business. The celebrated Bank of Venice is usually thought to have opened its doors in the middle of the twelfth century, and it is true that in 1171 an office was established in Venice for the purpose of recording the transfers of Government bonds and paying out the interest on them. This office did exactly what the United States Treasury now does, and not until several centuries later did it blossom out into a bank in the modern sense of the word. Then Barcelona is asserted to have founded a public bank in 1401, but the nature of its early operations is as yet imperfectly understood. Half a dozen years later, in 1407, the Bank of St. George was called into being at Genoa, and there can be little doubt that in a short time it became a strong and enterprising bank even according to modern standards.

When the Moors had conquered the greater part of Spain, their piratical expeditions spread terror over the shores of the Mediterranean, and the Genoese were often in conflict with them. Just before the middle of the twelfth century Genoa even ventured to invade the Moorish kingdom of Granada, and the preparations for

* *First Nat. Bank v. Bayley*, 115 Mass. 228; *National Bank v. Merchants' Bank*, 91 U. S. 92; *Marine Bank v. Wright*, 48 N. Y. 1.

† *First Nat. Bank v. Kelly*, 57 N. Y. 34; *Hathaway v. Haynes*, 124 Mass. 311; *Heiskell v. Farmers & Mechanics' Nat. Bank*, 89 Pa. 155. But see on this subject *Mears & Son v. Waples*, 4 Houston 62.

‡ For the information embodied in this article we are indebted to a privately printed volume bearing the title—"Christopher Columbus and the Bank of St. George (Ufficio di San Giorgio in Genoa). Two letters addressed to Samuel L. M. Barlow, Esquire, by Henry Harrisse." New York, 1888. 4to.

this foray required so much money that a State loan was issued, perhaps the first of the kind in modern Europe. The capitalists advancing the money formed an association, certain taxes being assigned to them for a term of years, and in succeeding centuries many such partnerships were made up of the State's creditors. The fierce feuds between Guelfs and Ghibelines, the rivalries of wealthy families, and wars with the other Italian republics incessantly disturbed Genoa, and the many loans floated to provide the sinews of war in time sadly damaged the State's credit. At last the Genoese gave themselves up to France, and in 1401 the French king sent Marshal Boucicaut to restore order in the city and to govern its turbulent inhabitants.

When this good soldier and able administrator came to consider the finances, he proposed that all the public loans should be consolidated into one funded debt, bearing 8 per cent. interest, and managed by one great company. The decree creating this company was dated April 27, 1407, and the establishment was organized and began business in the year following. At first it was called the St. George Purchasing Company, then its name was changed to the House, the Office, and finally the Bank of St. George. The entire management of the public loans was quite sufficient to give this association great prominence, and it further undertook to remedy the abuses of private banking. It received deposits, without, however, allowing interest on them, and probably lent out money and transacted a regular banking business. After a sort of liquidation in 1444, it discounted only its own paper and became what would be called in modern times a bank of deposit and accounts current.

The State loans always formed a large part of the institution's business, but instead of merely selling Government securities for a commission, it provided money by making new issues of its own stock. The system of paying a fixed amount of interest was soon given up, and the holders of stock in the Bank of St. George received dividends, or proportionate shares of the entire profits accumulated by all its financial and commercial business. These dividends rarely went over $2\frac{1}{2}$ or 3 per cent., and while the stock was usually far above par, there were certain periods when it fell below. It has been estimated that the capital formed by consolidating the various loans amounted in 1411 to about \$16,000,000, and when to this amount is added a large working capital, the total seems enormous for mediæval times. As the business of money-changing had made Jews and Lombards proverbially rich, so, too, it helped to fill the coffers of the Bank of St. George; the establishment further secured several profitable monopolies; and during the terrible epidemics that prevailed, many of its customers died, leaving their deposits unclaimed, the plague of 1656

alone cutting down Genoa's population from 90,000 to 10,000 souls.

The mercantile spirit of the Genoese continually improved and extended the operations of their great bank. It grew at last to be such a powerful institution that Machiavelli asked the question whether the Bank of St. George was not likely to absorb the Republic of Genoa itself. The financial help received from the bank encouraged the State to wage war more than ever, and when the Government's resources were exhausted, it ceded the Genoese colonies to the Bank of St. George. From patriotic motives the establishment accepted the task of defending these colonies, but it was not so successful in state-craft as in finance and business, and the colonies had to be restored to the State. It was while attempting to keep the Turks out of these colonial possessions in 1456, that the bank, for the only time in its history, suffered from a crisis, and for three years it was obliged to suspend payment.

The privileges and powers conferred upon the Bank of St. George were immense, yet it seems never to have abused them. Thus the Republic allowed it to lay down civil and criminal laws relating to its own affairs, even extending to the infliction of the death penalty; it could appoint its special courts and judges, and the State itself was subject to them. It had the right to force the doges of the city publicly to swear that they would maintain its privileges. Its refractory debtors, whether among the priests or of the people, could be excommunicated. It had a first mortgage on the property of any person indebted to it, and if the debtor hoped to get out of the country, his passport could be made waste paper. Although the public loans constituting its capital were declared perpetual and unredeemable, in 1539 the State transferred to it also 76 different taxes.

In its strictly banking business the establishment aimed to help merchants more than to roll up profits. It strove chiefly to stand by the Government in times of financial stress, to develop the commerce of Genoa, to uphold specie payments, to import raw materials, set factories going, and export the manufactured goods. Accumulating capital from countless sources and using it profitably in many branches of commerce and industry, it had all the good points of the *Crédit Mobilier*, four centuries before that was thought of. Some of the other practical devices adopted by the Bank of St. George were anticipations of what may be seen in general use in more modern times. Depositors of specie could issue orders payable at sight, when indorsed by the bearer, like our checks. Any creditor or depositor might obtain money orders for the whole or a part of the sum to his credit, and if indorsed these orders were paid on presentation; meanwhile they

circulated like money, and they were doubtless the origin of the bank notes of the present. Money could be transferred from one customer's account to that of another, and this use of bank accounts to settle balances in exchanging checks started the principle at the foundation of the Clearing House. There is a small section of Genoa, still known as the *Porto Franco* or Free Port; it is the site of the bonded warehouses created by the bank in 1595, where imported merchandise could be stored without paying any duty, until it was taken out for consumption or export. A system of dividend bills was in use something like the modern exchequer bills. The principle of the sinking fund was long ago practiced by the ingenious Genoese financiers, for they always retained a portion of a public loan and applied the interest or dividends accumulating on it to the purchase of the shares of that loan, until the loan was entirely absorbed, this method of sinking being called "multiplication." Patriotic citizens often left money to be thus applied in the extinction of the public debt.

The endless discords and disturbances of the Middle Ages made people turn away in disgust from their fickle governments and long for some solid institution ever to be relied upon. The Genoese found that they could depend on the Bank of St. George, that it was a rock of salvation, so they favored it and tried to keep it free from the interference of the Government. An old author writes:—"We behold in the Office of St. George what legislators and philosophers never did anticipate, two republics existing within the same city walls—the one, turbulent and constantly disturbed by factions; the other, stable, serene, and the guardian of venerated customs for the good of all." Care was taken that nobody should be called upon to serve the State and the bank at the same time. The stockholders of the bank elected a general council of 480 members, and this body chose the members to compose the seven sections forming the bureaux of the bank. The first of these sections became an electoral college, whose chief duty was to select eight stockholders, possessed of at least one hundred shares, to act as Protectors and have the supreme control over the institution. These Protectors received no salary, but they were privileged to carry a sword and were always addressed with the title of "Most Illustrious." None of the higher officers could be elected again until after a lapse of three years; they were forbidden to speculate on their own account, or to have any private interest in the bank's business or in any other banking house; and there were four overseers charged to see that the rules were strictly obeyed by high and low officials. The legal advisers of the bank were appointed every year, were called the "Wise Men," and received an annual salary of \$61 each. The books were not kept by mere clerks; only notaries

public could make entries in them; and their system of double-entry bookkeeping was elaborated to great perfection. Secrecy had to be observed by everybody; and if a man could read, he was not permitted to sweep out the rooms containing the archives. Every one connected with the establishment had to sign a solemn oath to do his duty and never to have any interest in a State tax.

No financial institution in the world ever enjoyed or merited greater confidence than did the Bank of St. George during the five hundred years of its existence. While bloody revolutions set up and put down one Government after another, while native doges, Italian princes, and French kings won and lost dominion over the city of Genoa, the "Most Magnificent House of St. George" remained a pillar of strength, unshaken by the political storms raging around it. Like all things human, however, it had to die at last. In 1746 an Austrian army pounced upon the main gate of the city and threatened pillage if a huge ransom were not immediately paid. As the public treasury was empty, the bank patriotically advanced its whole working capital, amounting to 15,000,000 lire (\$3,000,000), and this money was never returned to it. In one way and another it managed to continue business, and it was gradually recovering from this crushing blow, when Napoleon's victories again made Genoa in 1796 subject to France. The old republic was swept away, and a new one took its place. The Bank of St. George found itself mercilessly deprived of its means and changed for the worse, and its claims upon the State were confiscated and turned into a public debt.

The Palace of St. George, so long occupied by the bank, still stands and is one of the sights of Genoa. It is now used as the Custom House, but the archives of the famous old banking institution have not been removed from the building. They fill almost a mile of shelves and include over 34,000 registers and packages of manuscripts. The main hall of the palace yet commemorates the dead and gone benefactors of the bank; an inscription or marble tablet is the record of those who gave under \$5,000; there is a bust for every donor of from \$5,000 to \$10,000; the giver of from \$10,000 to \$20,000 is remembered by a statue of himself standing; and when he bequeathed over the latter amount he is portrayed seated in marble. If the dreams and desires of Columbus had ever been realized, his colossal statue ought to be in this Pantheon of the Bank of St. George, where there is actually no memorial of the great discoverer.

Easily first among the scholars devoted to the study of the life of Columbus is Mr. Henry Harrisse. An American residing in Paris, he seems to combine in a most happy degree German thoroughness with American enterprise and French vivacity of expression. The wonderful amount of work he puts into his researches

is abundantly shown by his privately printed monograph on Columbus and the Bank of St. George, the source of all the knowledge that anybody can hope for on the subject. Mr. Harris was led to make this investigation, when he heard that a letter from Columbus to the bank had been offered for sale in New York as a genuine autograph, and he proves beyond all shadow of doubt that this letter is a shameless forgery, a mere copy of the original still carefully preserved in Genoa.

Now, what had Columbus to do with the Bank of St. George? As a native Genoese, he had of course learned to respect and put implicit faith in this solid financial institution. When he was inspired with the unpractical idea of using his prospective gains in wresting the Holy Sepulcher at Jerusalem from the infidels, he directed his heirs to save all they could and invest it in shares of the bank. He said: "I desire that they purchase the kind of stock issued by the House of St. George called *Luogi*, which gives six per cent. interest and constitutes a very safe investment."

After his third voyage—the voyage from which he had returned to Spain in chains like a common felon—Columbus must have sometimes felt a homesick longing for his native Genoa. A special envoy from that city, Nicolo Oderigo, chanced just then to be at the court of Ferdinand and Isabella, and with him the famous discoverer discussed his ardent wish to do something for his fatherland. On mature deliberation, he came to the conclusion to devote a tenth of all the future income derived from his property, rights and privileges in the New World to the reduction of the tax levied upon provisions brought into the city of Genoa, and the Bank of St. George was selected as the faithful agent to carry his benevolent intentions into effect.

In the month before he set sail upon his fourth and last voyage to America, Columbus, therefore, addressed the following letter in the Spanish language:—"To the Most Noble Lords of the Most Magnificent House of St. George in Genoa.

"HIGH NOBLE LORDS:

"Although the body walks about here, the heart is constantly over there. Our Lord has conferred on me the greatest favor ever granted to any one since David. The results of my undertaking already appear and would shine greatly, were they not concealed by the blindness of the Government. I am going again to the Indies under the auspices of the Holy Trinity, soon to return, and since I am mortal, I leave it with my son Diego that you receive every year, forever, one-tenth of the entire revenue, such as it may be, for the purpose of reducing the tax upon corn, wine and other provisions. If that tenth amounts to something, collect it. If not, take at least the will for the deed. I beg of you to en-

ertain regard for the son I have recommended to you. Mr. Nicolo de Oderigo knows more about my own affairs than I do myself, and I have sent him the transcripts of my privileges and letters for safe keeping. I should be glad if you could see them. My lords the King and Queen endeavor to honor me more than ever. May the Holy Trinity preserve your noble persons and increase the Most Magnificent House of St. George. Done in Seville on the second day of April, 1502:

"The Chief Admiral of the Ocean, Viceroy and Governor-General of the islands and continent of Asia and the Indies of my lords the King and Queen, their Captain-General of the sea, and of their Council.

S.
S. A. S.
X M Y
XPO FERENS."

There must have been some delay in the arrival of this letter at its destination, because the bank did not answer until the month of December in 1502. Then it wrote to Diego Columbus inclosing a very grateful and flattering epistle to Columbus himself. At that time the great explorer was far away and searching along the coast of Central America for the mines, where he imagined David had found the gold needed in building the Temple of Jerusalem. These communications from the Bank of St. George never reached Columbus, and in 1504, on his return to Spain, he indignantly complained of the discourtesy shown him by "the gentlemen of St. George." Thus another sorrow was added to the burden that carried the discoverer of America to his grave in 1506. His son, Diego, although enjoying a considerable income, seems to have made no effort to do for the people of Genoa what his father had planned, and the Bank of St. George doubtless thought it unbecoming the dignity of such an institution to beg. The letter of Columbus was discovered in the bank's archives in 1829, and with much formality it was transferred the same year to the City Hall, where it is still exhibited to the curious visitor. Columbus' charitable wish was never accomplished, but bankers may rejoice that he estimated aright the value of good banking.

O. A. BIERSTADT.

CAUSES OF BANK FAILURES.

Comptroller Hepburn, in his report, has given the following description of the National Banks that have failed during the year :

The doors of the Maverick National Bank of Boston, Mass., were closed on the last day of the report year (October 31, 1891, too late to be included in the annual report) by the National bank examiner, acting under instructions from the Comptroller of the Currency. For some months the condition of the bank had been a source of anxiety to the Comptroller on account of excessive loans to certain of its directors. The aggravated character of these loans, however, was not revealed to the Comptroller, either through the reports of the examiner or the attested reports of condition. The bank had a large volume of business and did a large collection business throughout the country. Speculative banking and excessive loans to directors for speculative purposes were the causes of failure. Conservatively managed, its volume of business and good will would have possessed very great value. Its assets were easily convertible. The receiver has paid to creditors 85 per cent., and expresses the opinion that an additional dividend will be paid, not exceeding 5 per cent., dependent upon the result of pending litigation and the amount realized from the assessment upon shareholders. An assessment of 100 per cent. has been levied by the Comptroller upon the shareholders of the bank.

The doors of the Corry National Bank of Corry, Pa., were closed to business November 7, 1891. The entire management of the bank had been practically confided to the president and cashier, whom it appears were highly respected and enjoyed the full confidence of the community until their disastrous administration of affairs of the bank became known. A good many loans were made in excess of the 10 per cent. limitation. False debits were made to other banks, and a corresponding credit given to certain individuals for the purpose of making a showing which would justify the payment of dividends to shareholders. Large rates of interest were paid on certificates of deposit, and the expenses of the bank were extravagant. A large amount of paper of bad character had been kept alive by renewals, interest in many cases being included in the renewals. The discoveries of the examiner, indicating criminal violations of law, were promptly reported to the United States Attorney.

An assessment of 100 per cent. has been levied by the Comptroller upon the shareholders of the bank.

Dividends amounting to 50 per cent. have been paid to creditors.

The doors of the California National Bank of San Diego, Cal., were not opened after close of business November 11, 1891. The failure was regarded as a great calamity by the local community, and considerable effort was made, in which many creditors joined, to accomplish a resumption of business. Under the peculiar circumstances, and in view of repeated assertions in communications to the Comptroller from interested parties that a sufficient cash fund would be made immediately available to restore the impaired capital, as much time was given before the appointment of a receiver as seemed to be consistent with the Comptroller's discretion under the law. When it became known, upon thorough examination, that the entire capital and surplus of the bank had been lost and all efforts to resume had proved futile, the president of the bank, who had personally exerted himself in the interest of resumption of business, committed suicide. The funds of the bank were used to

promote local enterprises of a public character involving large sums of money, and during a period characterized by a marked increase in prices and unusual activity in business. Succinctly stated, the president of the bank, in conjunction with one or more directors, at the date of its organization inaugurated schemes or deals in the interest of themselves and the local community which involved large sums of money. The necessary loans were for a time obtained from the Eastern States, but as these matured and demand for payment was made, recourse was had to this bank. The local boom collapsed before any of these enterprises became paying investments. At length, the extreme danger to the bank became apparent to the management, and it appears that the president alone was forced to assume the attendant responsibility, and finally, being unable to contend with the reduction in deposits and shrinkage in values, suspension became inevitable.

An assessment of 100 per cent. has been levied by the Comptroller upon the shareholders of the bank.

Dividends amounting to 30 per cent. have been paid to creditors.

The Cheyenne National Bank of Cheyenne, Wyo., closed its doors to business November 13, 1891, a run having been caused by the suspension of the California National Bank of San Diego, Cal. A few days later the cashier committed suicide. The president of the California National Bank of San Diego was likewise the president of the Cheyenne National Bank, and the character of management in both cases was almost identical. The personal presence of the president, his correct manner of life, and his energetic attention to business are said to have given him the entire confidence of the community, and enabled him to consummate questionable transactions without suspicion. From the first, the funds of the bank were diverted to his use. One common method was to purchase stocks of little or no value, sell them to irresponsible persons, taking notes in payment, which notes he caused to be discounted by this bank. He borrowed money in the Eastern States with which to purchase a controlling interest in the stock of the bank, using this stock as collateral. When demand was made, he would pay the loans with funds belonging to the bank realized upon accommodation paper obtained from his immediate friends. The cashier became a large and irresponsible debtor, and together these officers misappropriated an amount equal to the entire capital of the bank. Many bad loans were made, business was unduly extended, and the management was reckless and extravagant.

Dividends amounting to 25 per cent. have been paid to creditors.

The doors of the First National Bank of Wilmington, N. C., were closed by order of the board of directors November 24, 1891. The reason given to the public was that the capital had been impaired by heavy losses incurred in previous years, from which the bank could not recover. No dividends had been paid since 1887. After a thorough investigation, the receiver reported that the failure was due to bad loans extending over a number of years, and to speculation and robbery by the cashier, a fugitive from justice. The directors took no interest in the management, and the cashier had been given complete control. A large part of the assets consisted of worthless bills receivable, which had been carried for a long time by renewal. Excessive loans had also been made. False entries were made upon the books to conceal the actual liability from the examiner, and it was found that the cashier had so manipulated the accounts as to successfully postpone the collapse for a considerable length of time. It now appears that the directors were aware to a certain extent of the condition of the bank, but relied upon the hope that it would under most favorable circumstances

recover. The class of assets relied upon as good at date of failure amounted to only about 25 per cent. of the whole, and the receiver up to date has been unable to collect more than 15 per cent. of the total assets.

An assessment of 100 per cent. has been levied by the Comptroller upon the shareholders of the bank.

Dividends amounting to 30 per cent. have been paid to the creditors.

The doors of the Huron National Bank of Huron, S. Dak., were closed to business by the National bank examiner December 18, 1891.

The examiner found that for some time prior to that date the bank had been in a crippled condition, but thought, with careful and economical management, the affairs could be placed upon a safe footing. The shareholders finally voted to go into voluntary liquidation, but upon the disclosure that a large indebtedness due from the officers and their friends was not collectable, the Comptroller was compelled under the law to appoint a receiver. It appears that the local community lost confidence in the bank from the fact that the management was supposed to be pecuniarily interested in a very spirited controversy and rivalry that existed between several cities over the location of the capital of the State, and this with other causes tended to make the business of the bank unprofitable. The farming interests in the surrounding country were largely indebted to the bank, and the continued crop failures made the loans almost worthless. It did not appear that there had been criminal violations of law, but it did appear that the suspension was due to bad loans and unremunerative business, which had been unduly extended.

The doors of the First National Bank of Muncy, Pa., were closed to business January 11, 1892, by a National bank examiner who had for some time been in attendance for the purpose of ascertaining the exact condition as to solvency. Criminal violations of law were apparent, and prompt communication was had with the United States Attorney. There appeared to be a large shortage in cash as represented by the books of the bank. On the day upon which the examiner closed its doors, the want of public confidence was manifested by a slight run. The causes of failure may be stated as reckless management, incorrect bookkeeping, declaration of dividends that had not been earned, failure to charge off bad debts, and a persistent practice of allowing overdrafts in large amounts.

Had the management of the bank been good and efficient, the appointment of a receiver would have been unnecessary, and the bank might have been put in a sound condition by levying an assessment to make good the impairment of capital.

No assessment was levied upon the shareholders, as the assets of the bank were sufficient to pay creditors in full. The remaining assets have been turned over to an agent selected by the shareholders and the trust closed, principal and interest having been paid in full on all proved claims.

The doors of the First National Bank of Downs, Kans., were closed January 23, 1892, by the National bank examiner, upon discovering that the bank was insolvent. Bad management, frequent irregularities, and indications of collusion to violate the law were apparent, and the information was promptly reported to the United States Attorney for that district. On or about the date of organization the assets of another bank were purchased, a considerable portion of which proved to be worthless; accommodation notes were taken to cover up large loans to certain individuals, the paper representing the actual loans being held as collateral. The management was extravagant and the cashier was

reckless, his personal reputation being such as not to inspire confidence. Before the doors were closed an effort was made by some of the shareholders to change the management and restore the capital by voluntary assessment, but a large part of the stock being held by non-residents the attempt was unsuccessful and suspension became inevitable.

A dividend of 25 per cent. has been declared to creditors.

The Bell County National Bank of Temple, Tex., was closed by the National bank examiner January 30, 1892. The causes necessitating this action were numerous; bad and excessive loans, violations of correct business principles, and the indifference of the directors, permitting the president and cashier to dominate the board, made it comparatively easy to wreck the bank. These officers permitted no interference, and would not allow a duly appointed finance committee to perform its duty. Many of the shareholders were non-residents and gave their proxies to the president and cashier, who were thus able to elect such directors as they chose. By means of this power the board was reduced in number in order to dispose of a few directors who insisted upon a knowledge of the condition of the bank or were desirous of performing their whole duty. The personal extravagance indulged in by the officers resulted in the discounting of worthless paper prepared for the purpose, the borrowing of money from other banks at high rates of interest, the general welfare of the bank being wholly disregarded. Soon after the receiver took charge, these officers were arrested for violations of law and bound over for trial. The most culpable management was apparent, false entries in the books had been made to conceal misappropriations, and forgery had been resorted to.

Dividends amounting to 30 per cent. have been paid to creditors..

The doors of the First National Bank of Silver City and the First National Bank of Deming, N. Mex., were closed to business on February 4, 1892. The same person was president of both banks and represented the entire management, the boards of directors practically exercising no control. For several years he had borrowed the funds of the banks on notes of his own and worthless accommodation paper made by relatives, friends, and clerks, until more than the combined capital of the banks had been obtained for investment in speculative enterprises, such as wild lands, cattle ranches, prospective railroad construction, etc. Fraudulent entries were made on the books and dividends not earned regularly paid to the shareholders, who, being mostly non-residents, took no other interest in the management. Charges of embezzlement and misappropriation of funds were promptly placed in the hands of the United States Attorney.

An assessment of 82 per cent. has been levied upon the shareholders of the First National Bank of Deming. Dividends amounting to 25 per cent. have been paid to creditors of that bank, and 20 per cent. to the creditors of the First National Bank of Silver City.

The doors of the Lima National Bank of Lima, Ohio, were closed to business March 1, 1892. From the date of its organization the management of the bank continuously provoked criticism by the Comptroller of the Currency for apparent violations of the restrictive provisions of the law. The president, possessing considerable wealth and business sagacity, was the principal promoter of a number of local and foreign enterprises, and diverted the funds of the bank to his individual uses. At times he would crowd paper, based on these outside schemes, into the bank to the almost entire exclusion of other and legitimate loans. Accommodation notes of clerks and other employes were resorted to, until the president's methods became a matter of public notoriety. The

depositors necessarily lost confidence, and deposits were withdrawn to such an extent as to force the bank to re-discount all its good paper. When this crisis was reached an attempt was made to place the bank in voluntary liquidation, but failed because it was impossible at the time to realize from the assets the necessary funds for the prompt payment of creditors. A sharp run, which exhausted nearly all the cash on hand, precipitated its closing.

Dividends amounting to 50 per cent. have been paid to creditors.

The doors of the Cherryvale National Bank of Cherryvale, Kans., were closed June 10, 1892, by a National bank examiner acting under instructions from the Comptroller of the Currency. For some time the management of the bank had subjected it to criticism, and upon an examination made in December, 1891, its condition was unsatisfactory and the capital was found to have become impaired. An assessment was ordered by the Comptroller, the management taking exception, insisting that there was no impairment and requesting a re-examination. The request was granted, but the result still showing an impaired capital, the Comptroller insisted upon the payment of the assessment, and shortly after the cashier made oath that it had been fully paid. A subsequent examination disclosed the fact that the assessment had not, in fact, been paid, whereupon the examiner was instructed to take charge. The condition of the bank was mainly due to the reckless management of the president, who for his own use discounted worthless accommodation notes. A strenuous effort was made to prevent a receivership by inducing creditors to accept obligations other than cash for their claims. Inasmuch as the assets of the bank were not sufficient to even permit of voluntary liquidation, no proposition other than immediate payment of creditors in full could be entertained. The president and cashier were afterwards arrested for embezzlement, perjury, and false entries in the books, and bound over for trial.

The doors of the First National Bank of Rockwall, Tex., were closed by the National bank examiner June 11, 1892. A former president of the bank, who was the original promoter, was engaged in wild speculations during his incumbency, and through loans to men of straw, for his own use, absorbed the capital and earnings of the bank. Having accomplished this result, he sought other fields of operation, leaving the bank in such a crippled condition that a new management found it impossible to place it on a solvent footing. The amount of deposits had become insignificant, being at date of closing only \$6,000, so that current business could not support the bank.

The doors of the National Bank of Guthrie, Territory of Oklahoma, were closed by its officers June 13, 1892. Certain information having come to the knowledge of the Comptroller, a National bank examiner had been directed to make an examination. He arrived on the day the bank suspended business, and found that a receiver had been appointed by a Territorial court. It was claimed that creditors had been paid in full, and therefore the Comptroller had no jurisdiction. It appeared that a receiver had been appointed by the court upon a petition presented in the supposed interest of some of the shareholders who were friendly to the management. The Comptroller appointed a receiver, and a demand for possession of the records and assets of the bank was made and refused. The court maintained that it had jurisdiction in the matter, and up to this time the Comptroller has been unable to place a receiver in charge.

The doors of the First National Bank of Erie, Kans., were closed to business June 25, 1892. The failure was due to the payment of exorbitant rates of interest on deposits, and the injudicious manner in which

funds of the bank were loaned to officers and directors, who were large borrowers at a lower rate of interest than the bank itself paid for re-discounts. The immediate cause of failure was the large loss on these loans which had been made without proper security. It was developed that the stock held by the officers had been purchased with borrowed money, the stock being pledged as collateral, and that their financial resources had always been very limited.

On July 5, 1892, the president of the Vincennes National Bank of Vincennes, Ind., committed suicide. The bank had become insolvent. A National bank examiner was immediately directed to take charge of affairs and closed the bank on the morning of July 7. For some years prior to insolvency a former president and large shareholder of the bank was connected with firms engaged in grain speculations, and it appears that his successor, the late president, was connected with him in similar speculation. Correspondence was found which connected the president with heavy losses, and it would appear that the cause of failure was his connection with board of trade speculations. Various means were resorted to in using bank funds and considerable ingenuity was exercised in covering up shortages. Successful attempts were made to deceive the National bank examiner, and it is stated to the Comptroller that there was a systematic misappropriation of funds, which was acquiesced in or known to some extent by other officers and employes of the bank. In addition to this, large loans were made without proper security and in violation of law. The bank at one time purchased a large block of its own stock, paying a high premium therefor. An administrator was promptly appointed for the estate of the late president, who immediately offered restitution to the fullest possible extent, it being his desire to make as full a settlement as practicable, without reserve and without litigation.

A dividend amounting to 30 per cent. has been paid to creditors.

The affairs of eight National banks have been closed during the past year and final dividends have been paid to their creditors.

<i>Name and location of bank.</i>	<i>Date of appointment of receiver.</i>	<i>Total dividends on principal.</i>	<i>Proportion of interest paid.</i>
		<i>Per Cent.</i>	<i>Per Cent.</i>
Asbury Park National Bank, Asbury Park, N. J.....	July 2, 1891	100. 00	.....
First National Bank, Buffalo, N. Y.....	Apr. 22, 1882	43. 50	.....
Central National Bank, Chicago, Ill.....	Dec. 1, 1877	65. 57	.....
First National Bank, Corry, Pa.....	Oct. 11, 1887	92. 75	.....
First National Bank, Dansville, N. Y.....	Sept. 8, 1887	22. 1568	.....
First National Bank, Muncy, Pa.....	Feb. 9, 1892	100. 00	100
National Bank of Shelbyville, Tenn.....	Dec. 13, 1889	30. 177	.....
Vermont National Bank, St. Albans, Vt.....	Aug. 9, 1883	80. 25	.....

Out of 4,811 National banks organized since February, 1863, 181, or about 3.76 per cent., have been placed in the hands of receivers. This includes 9 which had previously been placed in liquidation by the shareholders, but upon their failing to pay depositors the Comptroller appointed receivers to wind up their affairs. Of the 181 failed banks 38 have paid creditors in full, principal and interest; 6 have paid principal and a part of the interest, and 13 have paid the principal only. The affairs of 110 of the 181 banks have been finally closed, leaving 70 in process of settlement, of which 16 are virtually closed, with the exception of pending litigation, leaving 54 receiverships in active operation. In one case

the receiver was withdrawn and the bank permitted to resume business.

The total amount so far paid to creditors of insolvent National banks has been \$48,052,938 upon proved claims, amounting to \$70,830,366. The amount paid during the year has been \$8,103,498, besides \$1,320,317 paid for dividends declared prior to November 1, 1892, on claims proved since that date. Assessments amounting to \$17,925,850 have been made upon shareholders of insolvent National banks under section 5,151 of the Revised Statutes of the United States. From this source the gross collections amount to \$7,623,760, of which there has been received during the past year \$1,002,351. Suits are pending in some cases.

TAXATION.

COURT OF APPEALS OF NEW YORK.

People ex rel. Savings Bank of New London v. Coleman, Commissioner of Taxes.

An exemption of property from taxation accorded a foreign savings bank by the laws of the State of its creation is of no avail to exempt property owned by it in this State.

1 Rev. St. p. 388, § 4, subd. 7, which exempts from taxation the personal property of every incorporated company, not made liable to taxation on its "capital," applies only to corporations having a capital stock, and hence a savings bank having no capital stock is not within the statute. (*Catlin v. Trustees, etc.*, 20 N. E. Rep. 864, 113 N. Y. 133, followed.)

Laws 1857, c. 456, § 4, which provides that deposits in any bank for savings which are due to depositors shall not be liable to taxation other than the real estate and stocks which may be owned by such bank or company, was intended to exempt savings banks from taxation only to the extent of deposits due depositors, leaving the surplus held by such banks still liable to taxation.

Acts 1866, c. 761, § 7, and Acts 1867, c. 861, which provided for the taxation of the "privileges and franchises" of savings banks, manifestly have no application to foreign savings banks, even if it be conceded that these acts were revived by the repeal of Laws 1875, c. 371, which repealed them.

The surplus of a foreign savings bank, invested in the capital stock of domestic banks, State and National, is taxable in this State, under Laws 1882, c. 409, § 312, which provides that the stockholders in every bank, State or National, shall be assessed or taxed on the value of their shares of stock at the place where the bank is located, and that such shares of stock shall be assessed like other taxable property owned by individuals, and with like deductions. (18 N. Y. Supp. 675, affirmed.)

Where the tax commissioners have deducted from the assets of a foreign savings bank all its liabilities, and also all its property exempt from taxation, and all its property subject to taxation elsewhere, and have thus ascertained its surplus, and have assessed its investments in the stock of domestic corporations, on that basis, such foreign bank is not entitled to a further deduction of all its liabilities from the assessment thus made. (18 N. Y. Supp. 675, affirmed.)

EARL, C. J.—This is a proceeding by *certiorari* to review an assessment of the relator, a Connecticut corporation, on shares of stock owned by it in certain banks located in the city of New York. There is no dispute about the ownership by it of the stock. It claims exemption from the assessment mainly because it is a savings bank, and also because, if allowed the proper deductions for its liabilities, nothing would remain for taxation. It cannot claim exemption here on account of any laws of the State of Connecticut, as they have no operation here. We will assume that it is entitled to all the exemptions and regulations of the assessment and tax laws of this State, and that it must be treated pre-

cisely as if it were a domestic corporation, and yet we reach the conclusion that the assessment complained of was properly made. The general rule is that all property within this State is liable to taxation, and when a claim of exemption is made it must clearly appear, and the party claiming it must be able to point to some provision of law plainly giving the exemption. It is provided in section 1, tit. 1, c. 13, pt. 1, of the Revised Statutes, as follows: "All lands and all personal estate within this State, whether owned by individuals or by corporations, shall be liable to taxation, subject to the exemptions hereinafter specified." And among the exemptions afterwards specified is "the personal estate of every incorporated company not made liable to taxation on its capital in the fourth title of this chapter."* In order to claim this exemption, a corporation must have a capital not liable to taxation as such; and so we decided in *Callin v. Trustees, etc.*, 113 N. Y. 133, 20 N. E. Rep. 864. There we held that the words "incorporated company" were intended to designate only such business and stock corporations as by chapter 13 are, under special circumstances, exempted from taxation on their capital, and do not embrace corporations not having a capital. The reasoning by which that conclusion was reached need not be repeated here. Nothing is left to be said by the opinion there pronounced. Therefore, looking at the Revised Statutes alone, there is nothing upon which the relator can base the exemption claimed. The Revised Statutes neither exempted the bank nor the depositors therein. But there could not be double taxation. If that had been attempted, some way would have been found to defeat it, as that would be against public policy, the purpose of the laws, and natural justice. While the Legislature may constitutionally impose double taxation, its purpose to do so can never be inferred, but must plainly appear. The bank is in some sense a trustee of the depositors, and takes their money, and invests it, and pays them the net interest which it earns; and it cannot be supposed that there is any system of laws under which taxation can at the same time be imposed upon a trustee and the beneficiary in respect of the same property. (*Savings Inst v. Gardiner*, 4 R. I. 484; *Nashua Sav. Bank v. City of Nashua*, 46 N. H. 389, 398.)

The system for the taxation of savings banks and their depositors under the Revised Statutes was undoubtedly imperfect. It may be that either the bank or the depositors could be taxed, and undoubtedly it would have been most appropriate to select the bank for taxation. Thus the law remained until 1857, when the act (chapter 456) "in relation to the assessment of taxes on incorporated companies" was passed, the fourth section of which is as follows: "The deposits in any bank for savings which are due to depositors, and the accumulations in any life insurance company organized under the laws of this State, so far as the said accumulations are held for the exclusive benefit of the assured, shall not be liable to taxation, other than the real estate and stocks which may be owned by such bank or company, and which are now liable to taxation under the laws of the State." Now, what does that section mean, and what did the Legislature intend to accomplish by it? The whole act deals with "incorporated companies." So the title indicates. The section plainly intended either to exempt depositors from taxation upon their deposits, or to exempt the banks from taxation upon such deposits. We think the Legislature found the confusion existing in the laws as to the taxation of such deposits, and that the taxation might be imposed upon the banks where they were located, or upon the depositors where they resided, neither the banks nor the depositors having any exemption; and it intended to exempt the banks from taxation

* 1 Rev. St., p. 388, §4, subd. 7.

upon such deposits to which they were then liable. That it was providing for the exemption of the banks as to the deposits is made probable by the circumstance that in the same section, consisting of but one sentence, it provided for the exemption of life insurance companies from taxation upon their accumulations held for the benefit of persons insured, and that the real estate and certain stocks owned by the corporations were expressly left liable to taxation as before. There is no language indicating that it was meant to exempt the depositors from taxation upon their deposits. If, as claimed by the relator, the banks are exempted from taxation under the Revised Statutes, and, as claimed by others, the depositors are exempted from taxation on their deposits under this section, then an increasing amount of personal property in this State, now amounting to more than \$600,000,000, will entirely escape taxation. There is certainly no public policy which dictates the entire exemption of this enormous amount of property, and the intention to exempt it before the exemption can be allowed should be found plainly expressed in some statute, and we do not find it. The depositors are taxable upon their deposits as they are upon other personal property, and the banks are exempt to the extent specified in the section. The exemption was only to the extent of the deposits due to depositors. The surplus held by savings banks not being due to depositors, and therefore not taxable against them, was left where it was before—liable to taxation against the banks. But it was found that the banks escaped taxation upon the surplus by investing it in Government bonds, which were exempt from taxation; and hence, in 1866, the Legislature, in section 7 of the act, c. 761, provided for the taxation of the banks on their "privileges and franchises" to an amount not exceeding the gross sum of their surplus. In 1867 this section was amended so as to allow a deduction from the surplus of the amount thereof invested in United States securities. (Chapter 861.) In 1875, by section 56 of chapter 371, the Legislature repealed the acts of 1866 and 1867, and thus the law was again restored to the condition in which it was left by the act of 1857, and so the law remained until 1882, when, by chapter 402, the act of 1875 was repealed. It may be that this repeal of the act of 1875 restored the acts of 1866 and 1867. It is, however, not now necessary to determine whether it did or not, as those acts providing for the taxation of the privileges and franchises of savings banks manifestly could have no application to foreign savings banks.

No other statutes have come to our attention which bear upon the exemption of savings banks and their depositors from taxation, and our conclusion is that the only exemption which the banks can claim is under the act of 1857, and that that exempts only the deposits due to their depositors, and not their surplus, and that hence there is room for the operation of the provisions of law which impose taxation upon the shares of bank stock. These provisions are found in section 5,219 of the Revised Statutes of the United States, and in the laws of this State, section 312, subc. 12, of the act, chapter 409 of the Laws of 1882. In the latter act it is provided that the stockholders in every bank, State or National, shall be assessed and taxed on the value of their shares of stock at the place where the bank is located; that such shares shall be assessed like other taxable personal property owned by individuals, and with like deductions. Section 312 is mandatory. It provides that the stockholders "shall be assessed and taxed." It may, at least plausibly, if not well, be claimed that a corporation owning bank shares may be taxed upon them, although generally exempted from taxation as to its other personal property (*Bank v. Boston*, 125 U. S. 60, 8 Sup. Ct. Rep. 772); but we need not go so far in this case, because, if these shares are

part of the surplus of this bank, and the proper deductions have been allowed, it has no ground of complaint. The assessors determined upon sufficient, and, indeed, undisputed, evidence that they were part of the surplus, and we cannot perceive how it can be well disputed that every deduction which the bank could properly claim was made. The assessors took the total value of all its assets, and from that deducted all its liabilities, and thus ascertained that it had a surplus of over \$900,000. From this surplus they deducted all its property not taxable anywhere, all its property taxable elsewhere, all real estate and cash held by it, and thus reached a final surplus largely in excess of the assessment made against the bank. It is impossible to perceive what other deductions the assessors should have made, and the learned counsel for the bank has called to our attention no other. But he claims that the bank was entitled to a deduction of its liabilities from the assessment as made. The bank was not entitled to the deduction of liabilities twice. When the assessors, in making an assessment of personal property, ascertain the amount of the owner's liabilities, and make all the deductions on account thereof to which he is entitled, and assess him for the balance thus obtained, he cannot then again claim against the assessment thus made another deduction of his liabilities, and thus entirely wipe out the assessment. Assessors may assess an owner for the whole amount of his personal property, and then allow him deductions on account of his liabilities when he appears and claims it, or they may allow him the deductions when they make the assessment, and then he has no grievance to complain of. Our conclusion, therefore, after a careful consideration of the learned and ingenious brief of the counsel for the bank, is that the assessment against it was properly made, and that it has no just ground to complain of the amount thereof; and the order appealed from should therefore be affirmed, with costs.

Finch, J., concurs, and Andrews, Peckham, Gray, O'Brien, and Maynard, JJ., concur in result, on the ground that the shares of stock assessed were part of the bank's surplus, and they express no opinion as to the taxation of depositors on account of their deposits in savings banks.—*Northeastern Reporter*.

TRANSFER OF NATIONAL BANK STOCK.

SUPREME COURT OF NORTH DAKOTA.

Doty v. First National Bank of Larimore.

Section 5,139, Rev. St. U. S., providing that the stock of a National bank shall be "transferable on the books of the association in such manner as may be prescribed in the by-laws or articles of association," was enacted for the benefit of the corporation, its shareholders and creditors, only. As to all other parties, a transfer of such stock, good at common law, is good under the statute.

Under the Federal statutes, the rights of a transferee of National bank stock, under an unrecorded transfer, good at common law, are superior to the rights of a subsequent attaching creditor of the transferor without notice.

It is not competent for State legislation to limit or interfere with the transferable quality of National bank stock, as the same is left by the statutes of the United States.

BARTHOLOMEW, J.—This case was tried by the court, and the facts are undisputed. On and prior to November 6, 1886, one C. C. Wolcott was the absolute owner of 220 shares of stock of the respondent bank, and held certificates for the same. On the 6th and 20th days of Novem-

ber, 1886, said Wolcott in writing assigned said certificates to A. J. Bowne, president of respondent bank, and delivered the same to him as collateral security for the amounts which Wolcott was owing the respondent bank and the Hastings National Bank, of Hastings, Mich. These amounts aggregated \$23,000, and no portion of such indebtedness had been paid when the case was tried below. The value of the stock assigned was \$22,000. The stock was not transferred on the books of the respondent bank, but, so far as shown by said books, Wolcott continued to be the absolute owner thereof, until after the attachment hereafter mentioned was levied. On July 5, 1888, an action was commenced by D. B. Doty & Co. against said Wolcott and others in the District Court of Grand Forks County. The action was aided by attachment, and on July 19, 1888, the sheriff of said county duly levied upon said shares of stock by serving the proper notice upon the cashier of the respondent bank. At the time of such levy the stock stood upon the books of the bank in the name of said Wolcott, and neither the plaintiff in the attachment action nor the officer making the levy had any knowledge of the assignment to Bowne. The certificates of stock provided that the stock should be transferable only on the books of the bank upon the surrender of the certificates. Subsequently D. B. Doty & Co. recovered judgment in the attachment action, execution was issued, and the sheriff of said county, under such execution, sold the shares of stock upon which the attachment had been laid to Edmund S. Doty, the appellant herein, and executed the usual sheriff's certificate of sale therefor. Immediately thereafter appellant presented to the respondent bank a duplicate copy of such certificate, together with a written demand that such stock be transferred to him upon the books of the bank, and stock certificates issued to him therefor. This the bank refused to do or to permit to be done; whereupon this action was brought to recover from the bank the value of such shares of stock. But one question of law is urged for our determination, and it is this: Under the facts disclosed, could appellant, under and by virtue of said sheriff's sale, acquire any right or title to the shares of stock of a National bank superior to the title and rights of Bowne under the assignment and delivery? If so, then the respondent bank improperly refused to make the transfer, and is liable for the value. (*Sargent v. Insurance Co.*, 8 Pick. 90; *Bond v. Iron Co.*, 99 Mass. 505; *Shipley v. Bank*, 10 Johns. 484; *Freon v. Carriage Co.*, 42 Ohio St. 30.) If not, the refusal was justified, and no liability attaches. Sections 5,003-5,005, Comp. Laws, make property in this State, incapable of manual delivery, liable to seizure upon attachment or execution, and specify the means by which it may be so seized. Section 5,003 reads: "The rights or shares which such defendant may have in the stock of any association or corporation, together with the interest and profits thereon, and all other property in this territory of such defendant, shall be liable to be attached and levied upon, and sold to satisfy the judgment and execution." Section 5,004 provides, in effect, that shares in a corporation may be attached by a sheriff by leaving with the president, secretary, cashier, or managing agent of such corporation a certified copy of the warrant of attachment, with a written notice specifying the property attached. Section 5,005 provides: "Whenever the sheriff shall, with a warrant of attachment or execution against the defendant, apply to such officer, debtor, or individual, for the purpose of attaching or levying upon such property, such officer, debtor, or individual shall furnish him with a certificate, under his hand, designating the number of rights or shares of the defendant in the stock of such association or corporation, with any dividend or income thereon, or the amount and description of the property held by

such association, corporation, or individual, for the benefit of or debt owing to the defendant." The sufficiency of the formal steps in this case is not questioned, nor is any claim made that shares of corporate stock, when actually owned by a defendant in attachment at the time of the levy, are not subject to the levy. Section 2,915, Comp. Laws, provides: ". . . Whenever the capital stock of any corporation is divided into shares, and certificates therefor are issued, such shares of stock are personal property, and may be transferred by indorsement, by the signature of the proprietor, or his attorney or legal representative, and delivery of the certificate; but such transfer is not valid, except between the parties thereto, until the same is so entered upon the books of the corporation as to show the names of the parties by and to whom transferred, the number or designation of the shares, and the date of the transfer." The last sentence in section 2,937 reads: "Such stock and transfer book must be kept open to the inspection of any stockholder, member, or creditor."

The learned counsel for the appellant contend that our statutes constitute a registry law in the fullest sense, and that under the law a creditor attaching corporate stock without notice is fully protected against any transfer or assignment which does not appear upon the books of the corporation. The decisions of the State courts, under statutes more or less similar to our own, are by no means uniform, and we do not feel called upon in this case to rule upon the question presented, but will assume that our law is a registry law.

But the stock here involved consists of shares in a National bank, organized and existing under and by virtue of the laws of Congress. National banks are fiscal agencies of the Government, and Congress is the sole judge of the necessity for their creation, and, having been brought into existence by Congress, the State can exercise no control over them, nor in any wise affect their operation, except in so far as Congress may see proper to permit. (*Bank v. Dearing*, 91 U. S. 29.) Section 5,136, Rev. St. U. S., gives to a National bank power to prescribe, by its board of directors, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred; and section 5,139 provides that shares of stock shall be transferable on the books of the association in such manner as may be prescribed in the by-laws or articles of association. It appears from the findings that the certificates of stock stated that said stock should be transferable only on the books of the bank on surrender of said certificates, and, as such certificate issues under the corporate seal, we must assume, nothing to the contrary appearing in the record, that such statement was in pursuance of a duly adopted by-law. But, giving the statement the force of a by-law, still we think the Federal authorities would sustain the assignment to Bowne as against appellant. In *Bank v. Lanier*, 11 Wall. 369, the owner of National bank stock pledged the same with power of attorney to sell and transfer the same on the books of the bank, but did not assign nor deliver the certificates. Subsequently he sold the shares, and assigned and delivered the certificates to Lanier and Handy. The certificates contained the same statement as to the manner of transfer that is found in this case. Two years after their purchase Lanier and Handy applied to the bank to have the stock represented by the certificates which they held transferred to them. This the bank refused to do, on the ground that the stock had already been transferred by virtue of a sale under the former power of attorney. It was held that this refusal was unwarranted; that the party who held the certificates was entitled to the stock; and that the bank could only transfer the stock upon the surrender of such certificates. Upon the authority of *Bank v. Lanier*, it was held in

Continental Nat. Bank v. Eliot Nat. Bank, 7 Fed. Rep. 369, that an unrecorded transfer of National bank stock will take precedence of subsequent attachment in behalf of a creditor without notice. This case was followed by *Scott v. Bank*, 15 Fed. Rep. 494, and *Hazard v. Bank*, 26 Fed. Rep. 94, in each of which the same ruling is made, and the Supreme Court of Massachusetts in *Sibley v. Bank*, 133 Mass. 515, construing the National bank act in the light of Federal decisions and policy, reached the same conclusion.

We do not think these decisions are weakened in the least by an uncertain *dictum* contained in *Johnston v. Laflin*, 103 U. S. 800, where it is said that the transfer on the books of the bank required by the act of Congress "is necessary to protect the seller against subsequent liability as a stockholder, and perhaps to protect the purchaser against proceedings of the seller's creditors. Purchasers and creditors, in the absence of other knowledge, are only bound to look to the books of registry of the bank." The question of the rights of the seller's creditors was in no manner involved in *Johnston v. Laflin*. Following the decisions heretofore cited, we hold that the act of Congress pertaining to the transfer of National bank stock, and the by-laws adopted in pursuance of said act, do not constitute a registry law; that such provisions were enacted for the benefit of the corporation, its stockholders and creditors, and that as to all other persons a transfer of stock good at common law is good under the Federal statutes; and that under said statutes the rights of a transferee under an unrecorded transfer, good at common law, are superior to the rights of a subsequent attaching creditor of the transferor without notice. It remains, then, only necessary to ascertain what effect, if any, a State statute can have in limiting the mode of transfer of such stock.

It was settled by the case of *Black v. Zacharie*, 3 How. 483, that the validity of an assignment of corporate stock depended upon the law of the State where the corporation was located, and not upon the law of the State where the assignment was made. Authority is hardly necessary upon the proposition that the sovereignty which creates the corporation must have the exclusive right to direct the manner in which the stock of such corporation must be transferred, at least when the corporation is located and doing business exclusively within the jurisdiction of the creating sovereignty. The effect to be given State statutes, so far as they may interfere with or limit the transferability of National bank stock, is, of course, purely a Federal question, and we ought to be governed in this matter by the decisions of the United States courts. In *Continental Nat. Bank v. Eliot Nat. Bank*, *supra*, a party residing at Boston, Mass., assigned and forwarded certificates of stock in Eliot National Bank, located at Boston, to the plaintiff bank, located at New York. Subsequently, and before any transfer was made upon the books of the Eliot National Bank, that bank attached the stock as the property of the transferor. United States Circuit Judge Lowell, sitting in Massachusetts, said: "It has been very aptly urged that, by the law of Massachusetts, the attachment would have the preference. This I consider doubtful, but the decision does not depend upon the law of Massachusetts. It is not important to consider whether the contract was consummated in Massachusetts or New York. The negotiability or transferable quality of the stock of a National bank depends upon the laws of the United States." (Citing *Dickinson v. Bank*, 129 Mass. 279.) "... The time and mode of attaching property and its effect in general are part of the law of the forum; but its operation upon unrecorded transfers of shares in National banks is regulated by the law which creates the shares, and provides for their conveyance and registration."

Again, in *Scott v. Bank, supra*, the same question was before the United States Circuit Court sitting in New York. The stock involved was stock of a National bank located in Connecticut, and it was urged that, under the decisions of that State, the attachment would have preference; but the court said: "The defendant having been incorporated under the National banking act, the rules which regulate the transfers of its stock are to be found in the statutes of the United States." And, after quoting the statute, the court adds: "The construction of the statute, and the question of title as between the assignee and the attaching creditor, are not controlled by the tenor of the decisions of any one State." These decisions seem to be decisive of the point under discussion. In their absence we might, perhaps, have reached a different conclusion, under the broad language used in *National Bank v. Com.*, 9 Wall. 353. In speaking of the principle that Government agencies cannot be subjected to State legislation, as announced in *McCulloch v. Maryland*, 4 Wheat. 316, and the cases following that decision, Justice Miller, speaking for the full bench, said: "The principle we are discussing has its limitation—a limitation growing out of the necessity on which the principle is founded. That limitation is that the agencies of the Federal Government are only exempted from State legislation so far as that legislation may interfere with or impair their efficiency in performing their functions by which they are designed to serve that Government. . . . It is only when the State law incapacitates the banks from discharging their duties to the Government that it becomes unconstitutional." But the cases cited from the Federal Circuit Courts were decided long after *Bank v. Com.*, and involve the precise point here raised, and we deem them conclusive upon us. The judgment of the District Court is therefore affirmed.

Wallin, J., concurs.

Corliss, C. J., having been of counsel, did not sit in the case or take part in the decision.—*Northwestern Reporter*.

LIABILITY FOR LOSS OF DEPOSITS.

SUPREME COURT OF GEORGIA.

Merchants' National Bank of Savannah v. Guilmartin.

The essence of a contract of bailment is diligence, and when the bailee shows the exercise of that degree of diligence required by law of his class he is discharged, although the thing bailed be stolen or lost. For a special deposit, received by a bank through its cashier for gratuitous safe keeping and return to the depositor on demand, the bank is not liable if the cashier, without its knowledge or consent, steals it, or fraudulently appropriates it to his own use, provided the bank has exercised due diligence in selecting the cashier, and in not keeping him in office after it knew, or ought to have known, that he was or had become untrustworthy. In stealing or clandestinely appropriating the deposit to his own use, the cashier would not be acting in the bank's business, or within the scope of his employment; he would be representing himself, and not the bank. The Code, §§ 2,201, 2,961, does not vary this rule in respect to gratuitous bailments, inasmuch as the degree of diligence touching such bailments is no higher under the Code than at common law. (Code, § 2,104; *Bank v. Schley*, 58 Ga. 369.)

A special deposit is gratuitous if it be accepted for the accommodation of the depositor, and without any undertaking by him, express or implied, to pay or do anything as compensation or reward for keeping the deposit.

LUMPKIN, J.—The main question raised in the record is whether a bank which, through the cashier, received from one of its customers a

special deposit of valuable securities, to be kept simply for the depositor's accommodation, and returned to him on demand, shall be held liable for the felonious appropriation of the securities by the cashier to his own use, he taking them while they were in the bank. The answer to this question depends on the nature of the duty assumed by the bank with respect to the deposit. Such a deposit belongs to the class of bailments termed "gratuitous," and the test of the bailee's liability on a loss of the property is to inquire whether he exercised the full amount of diligence which the law exacts as the measure of his duty in keeping the property. Each kind of bailment imposes on the bailee the obligation to use a degree of care commensurate to some extent with his interest in the transaction. If the bailment is for the benefit exclusively of the bailee, he must use extraordinary care; if for the mutual benefit of the parties, ordinary care; and if for the exclusive benefit of the bailor, slight care will suffice. Thus, the essence of a contract of bailment on the part of the bailee is for diligence of the required degree, and when he has used such diligence his contract is performed, and he discharged, although the property may be lost during his custody of it. Accordingly we find the authorities holding that the bank is not liable for the loss of a special deposit, to keep which it receives no compensation, by the theft of its cashier or other servant, provided it has not been guilty of gross negligence in any respect. (*Foster v. Bank*, 17 Mass. 479; *Scott v. Bank*, 72 Pa. St. 471; *Bank v. Rex*, 89 Pa. St. 308; *Giblin v. McMullen*, L. R. 2 P. C. 317; *Edw. Bailm.* § 45; *Schouler, Bailm.* § 42 *et seq.*; 2 *Add. Cont.*, § 804; *Bolles, Banks*, § 6 *et seq.*; *Morse, Banks*, §§ 102e, 201.) The bank may be guilty of negligence, and liable accordingly, in employing or retaining an unfit person in the position of cashier. But when it does its full duty in selecting a proper person, and in not disregarding indications of dishonesty which ought to arouse suspicion and investigation, then it is not responsible to one who has obtained from it the favor of barely keeping specific property without recompense, though the cashier steal the property so put in his charge. The law, as disclosed by the authorities, seems to consider that, in the case of a gratuitous special deposit, there is consideration enough in the bare custody of the property to insure its being kept without gross negligence, but not enough to bind the bank as an absolute insurer of its servant's honesty. The depositor contemplates, of course, and consents, that the cashier or some other agent is to be the personal guardian of the deposit. If the bank has selected and continues him in office, with due regard to the immense interests confided to him, his defalcation is a risk assumed by such a depositor. The bank, being equally liable to suffer by the same kind of misfeasance, thus evinces *prima facie* its good faith in having the wrongdoer in its service. As far as the question of mere negligence is concerned, the bank can plead its not knowing or having cause to suspect the integrity of its officer.

But it has been strongly urged that the bank, as master, is liable for the fraud of the cashier, its servant, in the course of its business. This is the point of most difficulty. Every bailee is bound to exercise good faith, and abstain from fraud, in keeping the property. Bad faith is at least as bad as gross negligence, and entails as much liability. The application of this is easy where the very person to whom the property was intrusted is guilty of the fraud. But suppose the master, being the bailee, is personally blameless, and his servant is the guilty one, shall the master be held liable? At common law there was once some authority that the master was not liable for the unauthorized willful tort, which of course included fraud, of his servant. But the better view is that the master is liable for every tort by the servant which is

within his authority, or is committed in the prosecution and within the scope of the business. It is often hard to draw the line between torts within and torts without the master's business. On the question now to be decided the cases hold that the act of the cashier, by which he appropriates exclusively to himself a gratuitous special deposit in the bank, is not an act done in the bank's business, and within the scope of his employment. The custody of the deposit implies no act to be done, but only a mere continuance of possession until a return of the property is demanded. The cashier had nothing to do about it except suffer it to remain in a safe place of deposit. Consequently, in taking it to himself, he is said to "step aside" from his employment to do an act for his personal gain, regardless of the business for which he was engaged. Such an act is lacking both in the rendition of, and in the intent to render, any service to the employer. The cashier does not, as a matter of fact, act with the bank's authority, and, furthermore, does not essay, or even profess, to act in its behalf. He represents nobody but himself. He throws off all allegiance to his master, and takes the part of a common enemy to all concerned. He becomes the same as a stranger from without, who by robbery, burglary, or stealth deprives the bank of a special deposit; and the authorities hold that the bank is not chargeable with such a loss, in the absence of gross negligence, but is liable if grossly negligent. (*Griffith v. Zipperwick*, 28 Ohio St. 388; *Hale v. Rawallie*, 8 Kan. 136; *Levy v. Pike*, 25 La. Ann. 630; *Bank v. Graham*, 79 Pa. St. 106, 100 U. S. 699; *First Nat. Bank v. Ocean Nat. Bank*, 60 N. Y. 278; *Wylie v. Bank*, 119 U. S. 361, 7 Sup. Ct. Rep. 268; *Whitney v. Bank*, 55 Vt. 155; *Schermer v. Neurath*, 54 Md. 491.) Such a fraud, by a well-selected servant, duly supervised, is not to be imputed to the bank as its own fraud. The bank cannot be said to have stolen when there is on its own part no participation in the theft, no appropriation, and no intent to appropriate the property. Of course, if the bank derive profit or benefit from its servant's speculation, it is liable. (*Society v. Underwood*, 9 Bush, 609; *Bank v. Dunbar*, 118 Ill. 625, 9 N. E. Rep. 186.) No case has been found which holds the bank liable because the defaulting cashier was acting in the prosecution and within the scope of the bank's business when he appropriated the deposit, but such liability, when affirmed, is rested specifically upon the existence of gross negligence. (*Pattison v. Bank*, 80 N. Y. 82; *Preston v. Prather*, 137 U. S. 604, 11 Sup. Ct. Rep. 162.) The common law appears to be that a master generally is not liable for the servant's fraud or willful tort unless he is acting at the time by the master's express authority or in the conduct of his business; that is to say, at his actual or implied instance. The servant must, in the wrongful act, be acting or intending to act in behalf of the master, and in the course of his employment. (Pol. Torts, pp. 55, 61; Cooley, Torts, p. 627, *et seq.*, 754; Evans, Prin. & Ag. 558, 559; 1 Bigelow, Frauds, 225; Fras. Mast. & Serv. 280; 45 Alb. Law J., 530; *Barwick v. Bank*, L. R. 2 Exch. 259; *Hubbersty v. Ward*, 8 Exch. 330; *Grant v. Norway*, 10 C. B. 665; *Coleman v. Riches*, 16 C. B. 105; *Erb v. Railway Co.*, 5 Can. Sup. Ct. 179, 194; *Banking Co. v. Charnwood*, 18 Q. B. Div. 714; *Howe v. Newmarch*, 12 Allen 49; *Mott v. Ice Co.*, 73 N. Y. 543; *Robinson v. Bealle*, 20 Ga. 275, 308, 309.)

But it was argued that, even if the bank were not liable under the common law, it is so under the statutes and jurisprudence of this State. It may be replied that the Code expressly declares the common law rule as to diligence touching a gratuitous bailment (Code, §§ 2,104, 2,105; *Bank v. Schley*, 58 Ga. 369); or, if there be any difference, the common law was stricter, some of the books saying that the bank must exercise ordinary diligence in a case like this, though the weight of authority is

in favor of slight diligence being sufficient. The sections of the Code last cited state the law specially applicable to this case. Section 2,201, which declares that the principal is bound for the care, diligence and fidelity of his agent in his business, and hence is bound for the neglect and fraud of his agent in the transaction of such business; and section 2,961, which declares that every person shall be liable for torts committed by his servant, by his command, or in the prosecution and within the scope of his business, whether the same be by negligence or voluntary—do not conflict with the common law, but seem to us designed especially to express it. The question, then, comes back to this: whether the theft by the cashier of a special deposit was “in the transaction of” or “in the prosecution and within the scope of” the bank’s business. The authorities say not, and this is doubtless a right determination of the question on whom the loss ought to fall. Neither of the parties anticipated that the cashier would go wrong, and therefore their conduct did not provide for such a contingency; nor is the bank responsible on the theory that it inflicted a tort by the hand of its servant. The cases cited for the defendant in error will be found upon careful examination not to conflict with the present decision.

It is complained in the motion for new trial that the court charged the jury thus: “If the bank kept this money as it kept its own, and if it was stolen by one in whom the bank reposed confidence and trust, and had reasonably and properly reposed trust and confidence, would the bank be liable? And I am compelled to say that I believe it would. I believe the bank is liable for a theft committed by its cashier, provided he steals that which is in his custody to take care of.” In view of the conclusion arrived at in discussing this, the central question of the case, the charge was error, for which a new trial must be granted.

2. There was some contest during the trial over the question whether the deposit in this case was gratuitous or not. The court charged the jury as follows: “It may not be necessary to find in this particular case that there was any particular benefit to be derived by one or the other party. If you find that the bank had concluded, for reasons satisfactory to itself, to accept this class of deposits, and had been in the habit of accepting this class of deposits, then a person going to make a deposit with it is not obliged to be able to satisfactorily show to himself what benefit it would be to the bank to receive it before he makes his deposit, but he can assume that it would have been a benefit to the bank; and if you find that it ought to have been a benefit to the bank, or that the bank had given him the right to assume that it would be benefited, then the bank would be estopped from denying that in this particular instance there was less liability because in this particular instance they had failed to be benefited.” This charge is complained of as error. We think the character of a particular bailment, whether gratuitous or not, is to be determined by the contract between the parties to it, and not by transactions, however numerous, between one of these parties and third persons having no relation to the case. The charge virtually declares that a person who has a habit of seeming to accommodate others shall, in any particular instance, be conclusively presumed to act for pay. This goes too far; it makes the obliging man a legal impossibility. Pay being the rule, and accommodation the exception, a jury might infer the existence of some secret profit from a multiplicity of favors; but this certainly cannot be an infallible, indisputable inference. Moreover, the possibility of some undisclosed benefit is not enough to render the bailment one for hire; there must be an understanding or arrangement, express or implied, between the parties, whereby the bailee has received, or has a right to expect and demand, something for his

benefit. (See Code, § 2,103.) Casual or incidental benefits which he would have to surrender at the will of the bailor do not amount to a consideration. There must be a compensation of some sort actually contemplated in the contract and bargained away by the bailor. The fact that the special depositor is also a general depositor in the bank is hardly sufficient, unless the retention of the general deposit account was stipulated for. So an incidental earning of fees for exchange or collection would not be a consideration, unless the depositor were obliged to allow it. Such benefits as are wholly contingent, and dependent on the pleasure of the depositor, cannot affect or determine the character of the bailment. The custom of the bank to accept special deposits does not absolutely demonstrate a general, still less a universal, receipt of consideration. And there is no reason why a bank should not be allowed to accommodate a customer, or any number of customers, in this way, without raising any equity to estop it from showing the fact of such accommodation. The charge complained of was error.

It is unnecessary to discuss the remaining assignments of error, because the controlling questions have been dealt with, and on the new trial the court will have no difficulty in shaping instructions to accord with this opinion. Judgment reversed.—*Southeastern Reporter*.

TRANSFER OF A NOTE BY AN OFFICER OF A BANK TO IT.

SUPREME COURT OF NORTH CAROLINA.

Le Duc v. Moore, et al.

In an action by the receiver of a bank on a promissory note against the maker and payee it appeared that the payee was the president of the bank, to which he transferred it by indorsement. He and the cashier constituted the discount committee, and participated in discounting the note. *Held*, that the bank took the note subject to the equities existing in favor of the maker at the time of the indorsement.

SHEPHERD, J.—James I. Moore executed a promissory note to E. F. Moore, who, for value and before maturity, indorsed it, for his own benefit, to the plaintiff bank. The said E. F. Moore was the president of the bank, and he, together with the cashier, by the custom of the bank, alone constituted its discount committee. The said Moore actually participated as a member of such committee in the discounting of the said note. The question presented is whether the bank is affected with notice of any defense existing in favor of the maker as against the payee at the time or before notice of the indorsement. In *Bank v. Burgwyn*, 110 N. C. 267, 14 S. E. Rep. 623, it was held that a bank was not affected with constructive notice by reason of the actual knowledge of its president, when the latter was dealing with it in his individual capacity, and not acting officially for the bank in any manner concerning the particular transaction. In the opinion of the court it was stated that the principle upon which rests the doctrine of constructive notice in such cases is that agents are presumed to communicate all such information as they may acquire in the line of their duty to their principals, because it is their duty to do so, but that no such presumption can exist where the agent is dealing with the principal in his own behalf. "His interest is opposed to that of the corporation, and the presumption is, not that he will communicate his knowledge of any secret infirmity of the title to the corporation, but that he will

conceal it." (*Barnes v. Gaslight Co.*, 27 N. J. Eq. 33.) Whether the bank would have been affected with constructive notice had the president acted in his official capacity in discounting the paper in which he was known to be interested is a point we did not undertake to determine, though, upon a cursory examination, it seemed to us that the authorities were in favor of the proposition. A more careful investigation, however, of the subject discloses much conflict of judicial decision, with many very respectable authorities sustaining the opposite view. Upon so important a question, involving the rights of other possible litigants, who have had no opportunity of being heard, we forbear the expression of an opinion at this time; for even admitting that, under ordinary circumstances, the latter doctrine is the correct one, and the bank would not be affected with notice, the reason of the principle would forbid its application to the facts of the present case. The principle is based upon the presumption that a majority of the members of the discount committee, being aware of the adverse interest of their associate, were in no way influenced by him in their action, and as he was treated as a stranger to the bank in the particular transaction, it would be unfair to assume that he imparted his knowledge to its officials. In other words, the theory is that he cannot be considered, in such a case, as having acted influentially as an officer of the bank. Our case is quite different, as here the discount committee consisted of Moore and the cashier alone, and it required the active official participation of the former in order to discount the paper. Here, then, we have as undisputed facts the active and essential participation of the president as a director, and also his actual knowledge. This leaves no room for the operation of any presumption, and the bank cannot escape its liability for the misconduct of one whom it has placed in such a highly responsible position. If loss must ensue by reason of the bad faith of Moore, it would seem clear that it should be borne by the bank, which, by reason of its selection of an improper agent, has caused a loss "which would not have resulted if the instrument employed by it had come up to the standard of good faith which it is one of the great objects of the law to secure in commercial dealings." (*Morse, Banks*, 110.) There must be a new trial.—*Southeastern Reporter*.

LEGAL MISCELLANY

NEGOTIABLE INSTRUMENT—BONA FIDE PURCHASER.—The title of an indorsee of negotiable paper for value, purchased before due, cannot be impeached, unless he has actual or constructive notice of facts such as to subject him to the imputation of fraud or bad faith in the transaction. [*Merchants' Nat. Bank of St. Paul v. McNeir*, Minn.]

NEGOTIABLE INSTRUMENT—DEFENSES.—In a suit against the maker of a purchase money note given for a conveyance with limited covenants "to warrant and defend title against the lawful claims of all persons claiming by, through, or under" the grantor, defendant may set up fraud and deceit in misrepresentation of title, and failure of consideration, where plaintiff is not a *bona fide* purchaser for value before maturity. [*Kimball v. Saguin*, Iowa.]

NEGOTIABLE INSTRUMENT—ESTOPPEL—ACTION ON NOTE—BURDEN OF PROOF—RIGHT TO OPEN AND CLOSE.—Defendant, contemporaneously with the execution and delivery of his note, executed and delivered to the payees therein a writing, certifying that the note was a *bona fide* debt, without offset, discount or defense: *Held*, in an action on the note by

an assignee of the payee, who purchased before maturity on the faith of such certificate, that defendant was estopped from denying such writing, even though he executed the same in good faith, and without design to defraud or deceive. [*Crabtree v. Aitchison*, Ky.]

NEGOTIABLE INSTRUMENT—FORGERY OF SIGNATURE.—The forgery of the maker's name to a renewal note delivered by the payee to the holder of the original note does not discharge the maker from liability on such original note, as the giving of a forged note in lieu of it does not operate as a payment. [*Second Nat. Bank of Reading v. Wentzel*, Pa.]

NEGOTIABLE INSTRUMENT—INDORSER—RELEASE.—Where a stockholder in a corporation indorses a note to secure an existing indebtedness of such corporation, upon agreement with the payee that the corporation shall have the exclusive sale of certain machinery manufactured by the payee, and but for such agreement would not have indorsed, a violation of the agreement, to even a limited degree, justifies a refusal by the indorser to pay or renew the said note. [*J. A. Fay & Co. v. James Jenks & Co.*, Mich.]

PRINCIPAL AND SURETY—GUARANTY.—One H. purchased from S. judgments against a third person, and took an assignment thereof, and to secure their payment took a bond from S., conditioned that, if the judgments should be paid in full by the judgment debtor, the obligation should be void; otherwise to remain in full force and virtue: *Held*, that S. was bound as surety on the judgments, and not merely as guarantor, and therefore was not released from liability on his bond by failure of H. to revive the judgments, H. not having been bound to do so unless requested. [*In re Sherman's Estate*, Pa.]

ATTACHMENT—BANK.—A bank is not indebted to a defendant who has purchased from it a draft which is still outstanding, and on which no default has been made by the drawee; and therefore the money paid by defendant for the draft cannot be levied under attachment as money due defendant from the bank. [*Central City Bank v. Parent*, N. Y.]

ATTACHMENT—LIEN.—An attachment of property which had been sold by the debtor previous to the levy, but of which no transfer of possession had been made by which the attaching creditor had notice of such sale, renders the property liable for the amount of the judgment subsequently obtained, and not merely for what was due at the time the levy was made. [*Miller v. James*, Iowa.]

CORPORATIONS—OFFICERS.—In an action by a stockholder against the corporation, its directors, and other stockholders, it appeared that for a number of years defendant L. had owned a majority of the stock; had caused himself to be made a director, along with two others who held stock in trust for him, and were under his control; that this board of directors had elected L. president and manager of the corporation at a large salary, and had made contracts leasing to the corporation at large rentals property which he owned: *Held* that, since L. directly influenced and controlled the board, he made the contracts fixing salaries and rentals with himself, and they were consequently void. [*Miner v. Belle Isle Ice Co.*, Mich.]

CORPORATIONS—STOCKHOLDERS.—A resolution of the board of directors authorizing the secretary to borrow money for the corporation is sufficient, though not entered on the minute book, and, therefore, in an action against stockholders to recover the money so borrowed, the admission in evidence of a resolution adopted by the board and entered on its minutes is immaterial. [*Bank of Yolo v. Weaver*, Cal.]

NEGOTIABLE INSTRUMENTS—INDORSEMENT.—Where a note, indorsed by the payee, and discounted at bank, is not paid when due, but the payee takes from the maker a new note, and then, to enable it to discount said note and pay off the old note, procures the indorsement of third persons but not at the request of the maker, after which indorsement is made by the payee, no such intention of the indorsers to strengthen the credit of the maker is shown as to render them liable to the payee, either as joint makers or guarantors. [*Morrison Lumber Co. v. Lookout Mountain Hotel Co.*, Tenn.]

CORPORATIONS—SUBSCRIPTION TO STOCK.—Articles of association for the formation of a hotel company were executed under Pub. Acts 1887, No. 70. Such articles recited that the capital stock should be \$30,000 divided into 1,200 shares at \$25 each. Held, in an action by such corporation against one signing a preliminary subscription paper, but who did not join in the execution of the articles, that, where the stock was not all subscribed, such defendant could only be held liable on the ground that he had assumed the relation of stockholder, had been recognized by the corporation as a member, and had waived the condition that the entire capital stock must first be subscribed. [*Curry Hotel Co. v. Mullins*, Mich.]

MORTGAGE—NEGOTIABLE INSTRUMENTS.—Where a mortgage securing a series of four notes, payable one after the other, contained a condition that, upon failure to pay any part of the notes at the time they should become due, all of them should be considered due and payable, and, upon default in payment of the one first maturing, it and the others, together with the mortgage, were transferred, the three other notes did not become payable until the payee had exercised his option to have them so considered, and his election after the transfer did not relate back to the time the first note became due, so as to render them subject to equitable defenses. [*National Bank of Battle Creek v. Dean*, Iowa.]

NEGOTIABLE INSTRUMENTS—BONA FIDE HOLDERS.—Where a bank takes three negotiable notes before maturity as collateral for money loaned, together with three other past due protested notes by the same makers and indorsers, there being nothing on the face of the notes to indicate that they were given for the same consideration or formed part of one transaction, mere knowledge of the dishonor of the past due notes will not operate as notice to the bank that the three notes not yet due were tainted by defective consideration, or of any equities existing between the original parties thereto, and the bank is entitled to recover the whole of the indebtedness of the borrower to it in a suit on such notes. [*Bank of Edgefield v. Farmers' Co-Operative Manuf'g Co.*, U. S. C. C. of App.]

NEGOTIABLE INSTRUMENT—FORGERY.—On a question as to whether a judgment note is a forgery it is competent to show that the owner had in possession, about the time of entry of judgment thereon, other notes bearing the signature of the same maker, but in blank as to dates and amounts, as the possession of such blanks is a circumstance calling for explanation, whether said owner then had the present note or not, and notwithstanding an interval of several years between the date of said note and entry of judgment. [*Thomas v. Miller*, Penn.]

NEGOTIABLE INSTRUMENT—ACCOMMODATION INDORSERS.—One who has indorsed a note for the accommodation of the maker on condition that the proceeds should be applied to a specified purpose cannot defend an action by a *bona fide* holder, who purchased without knowledge of the condition, on the ground that the avails of the note were diverted to other purposes. [*Parker v. McLean*, N. Y.]

BANK CREDITS.

The Bank Clerks' Athletic Association, of Philadelphia, began its special course of lectures on "Practical Banking," at the Drexel Institute, Thirty-second and Chestnut streets. To Mr. James G. Cannon, vice-president of the Fourth National Bank of New York, was given the honor of presenting the introductory lecture, and he chose the subject, "Bank Credits." There was present a very large audience, numbering about 1,500, in which were the most prominent men in financial circles both in Philadelphia and in other cities, also the clerks from banks, trust companies, insurance companies, etc., with their ladies. An organ recital on the great organ preceded the lecture. Mr. James V. Watson, president of the Clearing House Association of Philadelphia, presided, and Mr. W. H. Rhawn, president of the American Bankers' Association, and president of the National Bank of the Republic, of Philadelphia, introduced Mr. Cannon. The lecture was of a most practical character, and was listened to with most earnest attention and the keenest pleasure. At the close of his remarks Mr. Cannon received the most flattering plaudits and encomiums. Some of Mr. Cannon's remarks were as follows:

Sometimes we are vain enough to think that the financial center of this country is not far from Manhattan Island; yet we are willing to concede that Philadelphia, the "city of homes," with its magnificent banking institutions, occupies no small place in the world of finance. History reminds us that within the sound of the Liberty Bell in Independence Hall some of the first and foremost financial institutions of this country sprang into existence, and we have not forgotten that Philadelphia has produced many of our most brilliant and accomplished bankers. It has been said that the most valuable part of a banker's education is to learn whom to trust. Credit and commerce go hand in hand, and probably there is no country in the world where mercantile and bank credits are so freely given as in the United States. Yet, notwithstanding this, the subject on which I am addressing you has not been given the attention it deserves. Every bank should have a well-organized and thoroughly equipped credit department, in charge of some one who can be relied upon to investigate carefully all names referred to him by the officers.

To show the value of a careful investigation of credits, the credit department of a New York bank prepared for me a summary of their investigation on 1,598 names of mercantile houses and concerns desiring credit. Of these, 798, or practically 50 per cent., were unsatisfactory and credit was refused. When one thinks of these figures and comprehends them they are simply startling, and I commend this thought to the gentlemen present: that 50 per cent. of the applications for discounts are unworthy, for various reasons, of such accommodation.

Merchandise is the most likely item for the gathering of dead wood. Old stock is the easiest thing in the world to accumulate. Merchandise is a quick asset at the current market price only in those lines of trade in which the articles themselves are generally used as collateral, such as stocks and bonds, grain, cotton, bullion, etc.

The silk trade has always been affected largely by the fashions, and if the edicts come from Paris that the ladies are not going to trim their hats with ribbons, the silk men in this particular line are confronted with dull trade and their profits disappear. A little more than a year ago we

saw just such a condition and the strongest men shut down their mills. This year it is just the reverse; ribbons and silks are again fashionable in Europe and this country, and silk mills all over the world are running to their full capacity.

Tobacco is another product where the value is measurable by the expert knowledge, and we might almost say the business instincts with which the goods are selected. No two lots or crops are alike. In the fur trade a warm winter may deprive your fur merchant of his season's profit. Machinery and fixtures, as we all know, are not a bankable asset upon which to base credit.

Real estate I do not regard as an easily realizable asset, except according to special circumstances of location and adaptability to use. I heard of a large establishment in the Baring panic, with a capital running up into the millions, whose real estate was the bed-rock of their capital, and well located and salable. This firm, however, at one time was in a bad condition, and had it not been for their strong friends, would have been forced to the wall; but they succeeded in making a loan on their real estate which tided them over, and this is about the only way real estate can be regarded as a bankable asset.

Some time since I had occasion to ask a gentleman, who resides in the State of Pennsylvania, not far from Philadelphia, for a statement of the condition of his affairs, and I received a reply which I will read to you: "Gentlemen, answering your questions in lump, will say that I am worth \$100,000 over and above my liabilities. Am at my business ten hours per day, six days in a week, drink no rum, play no cards, gamble in no stocks, am trying to make some money, and think I am succeeding, all of which I trust will be satisfactory to you." I need not say that from the character of this gentleman, which I had looked up in other directions, I was entirely satisfied upon the receipt of such a statement from him in regard to the condition of his affairs.

There are very few large or reputable concerns doing business to-day without borrowing. In a conversation recently with the representatives of two of the largest dry goods houses in New York, regarding their immense output of paper, a friend of mine was told in both instances that they could not afford to withdraw their names from the street, even though the money obtained through this source was lying idle in the bank. It is now a prevalent idea among merchants, that a concern which does not place its paper in the open market or use the facility of its bank is not in first-class credit. It almost seems, sometimes, as if a firm's credit were based on the amount of paper it is able to realize on, instead of its assets or liabilities.

THE BANK OF VENICE.

The following facts concerning the history of the Bank of Venice and its peculiar methods are of special interest now, when all over the commercial world men are studying the problem of how to secure the best and safest sort of currency for the ordinary uses of business without the awkward necessity of shifting the actual metal from point to point at the risk of loss and to the demoralization of trade. The chief peculiarity of the Bank of Venice was that it succeeded in furnishing a serviceable medium of exchange based on deposits of metallic money which were absolutely safe, and which, indeed, were not themselves necessary in use. This medium of exchange was everywhere available in the then commercial world, which is precisely the object aimed at, among others, in

the project of international bimetalism. The Bank of France to-day has a plan of deposits somewhat similar to that of the old Bank of Venice at some points, and both examples point in a general way to wiser methods of banking and currency than we know in the United States.

The bank began business in the neighborhood of the year 1192. While it began its affairs in a modest way, its ostensible purpose was to supply money to the Venetian Government to carry on its wars. The method of doing business to that end was so peculiar and striking that it is not easy to think the system sprang into activity without some preceding banking practices which led to it. However this may be, there are no accessible records showing that anything of the kind was ever before in vogue, and, for that matter, nothing of the kind has ever occurred since—a fact which is the more striking because this bank was the longest lived and the most successful of any in the world's history. It existed for six hundred years until Napoleon invaded Venice and practically destroyed it; and during that period never closed its doors for business, nor did its funds (deposits) ever lessen in value below the sum recorded as having been received by the bank. On the contrary, within a comparatively few years after the bank began business its funds rose to a premium, gradually at first, but finally reaching the neighborhood of 25 per cent. above par. This means that immediately after such deposits were made they were worth in the open exchange 25 per cent. more than the amount deposited, and this premium was available like so much cash for the payment of any indebtedness. Or, to explain still further, these funds were legal tender, both private and public, and for the greater portion of six hundred years were in such demand that their auction value for all commercial purposes was rated at the premium mentioned. And the striking feature of this banking business is that this bank never paid out to a depositor a single ducat that it received. The money all moved one way; that is, into the bank, but never out of it. All these deposits, which in total footed up into the thousands of millions, went into the coffers of the Government, and enabled Venice to carry to a successful issue costly and lengthened wars.

There were times, or rather one time in particular, when the premium on the funds, which had ascended to 25 per cent. because of the attempts of the Government to reduce or destroy this premium, caused it to fall to the neighborhood of 15 per cent. This result was brought about by taxing the premium; not that the Republic desired to derive a revenue in that way, but the premium on the funds was a source of great trouble, not only to the Government, but to the merchants who apparently profited by it. This trouble consisted in the inability of the merchants to gauge prices with accuracy, in consequence of the more or less fluctuating character of the premium. This fluctuation varied from season to season in accordance with the general credit of the country; that is, through the changes due to the risks of wars and to good or bad seasons of commercial progress. There were times when these fluctuations were so large that the merchants made loud complaints, although, as above stated, the average premium for almost any decade during the last four hundred years of the bank's existence was in the vicinity of 25 per cent.

Another source of annoyance to merchants was the fact that money deposited in this bank was worth much more than gold bullion in the form of current and abraded coins. In other words, the bullion weight gold coin which represented the cash of the period was always at a discount with the bank's funds; and as it was desirable to frequently pay bills in coin instead of in the bank's funds, all such payments severely

affected the prices of the merchandise so purchased. In fact, the situation was as if two distinct currencies were in circulation, one worth 25 per cent. more than the other and possessing disadvantages as well as advantages over the other; and in opposition thereto, the coin currency possessed similar attributes. Then there was this additional feature which rendered the situation most peculiar; the gold could be deposited in the bank, and then it would instantly be worth 25 per cent. more than in the shape of gold coin. Because of this disturbance of legitimate values, the merchants demanded that the Government do something to stop the premium on the bank's funds, and the Government in answer did all they could to that end by the imposition of taxes and by making it unlawful.

Finally the evil was made so much worse by these attempts at interference, that the Government made the premium a criminal offense and proceeded to severely punish all exchange bidders who attempted to alter the par value of the bank's funds. This action resulted in a change in method without altering the effect, because those possessing deposits in the bank, that is, owning its funds, naturally refused to sell the funds for any less than they could get; and a new word was applied to such transactions whenever they were done in public, although much of this business at that time was conducted in secret. All these effects made the situation worse than before, consequently the Government was finally forced to desist, as no practical remedy could be found to prevent buyers of the funds from paying more for them than they were willing to do.

There were two main causes for this premium; one was the character of the gold coins which were then in use. These coins were great in variety and in difference of abrasion; they were the coinage of many countries belonging to Europe as well as Asia, and many of them were so old as to be hardly recognizable. In consequence of this confusion, which was the natural result of Venice being the principal trading market of the world, particularly between Europe and Asia, whenever payments of indebtedness were made in gold coins an expert was employed to estimate their bullion value. And frequently even the experts were in fault, and losses on one side or the other were frequent. But the delays in the examination of these coins were the most costly and annoying feature, a particular which then could not be remedied by any re-coinage on the part of the Republic, because of the widespread character of commerce. The bank's funds, on the other hand, caused no such trouble, for outside of the premium characteristic they were acceptable at a constant valuation, a feature that made such funds exceedingly desirable for a quick settlement. The other feature contributing to a premium was the facilities the funds gave merchants in sending money to distant countries. During most of the period of this bank's existence whenever a merchant was required to send gold in payment of his indebtedness into a distant country, an armed escort was sent with the money; for those were the days of brigandage in almost any isolated district. The cost of sending money in that way was, of course, high; and even with the protection of armed men the losses were by no means rare, and occasionally quite large. On the other hand, the bank's funds obviated all this risk and cost and were in constant demand in the payment of foreign exchange.

The method by which this bank transferred its funds from one person to another was commonly by personal application of a debtor and creditor; that is, when a debtor wished to pay a creditor, they both went to the bank and the debtor who had funds in the bank requested the clerk to transfer so much of his funds to his creditor, and the clerk

made the transfer in their presence, the transaction requiring no writing on the part of the owner of the funds nor from the party who received them, it being verbal. No checks were in use, nor did the bank ever circulate notes, as money, so far as the records show; and, as before said, the bank never paid out any money that it had once received. Regarding the use of the funds for the purpose of foreign exchange historians differ; some of them emphatically declaring that bills of exchange were never used. But the weight of the testimony inclines the opinion that bills of exchange were in use for such purposes, as it is conceded that money, that is, the funds, were used to pay creditors in distant countries; and in all the large commercial centers these funds commanded the same premium as they did in Venice. Erasmus relates an account of the great convenience this bank gave him when he traveled in the south of Europe, in fact, that it enabled him to send money home to Holland without risk or loss.

The striking feature of this bank was the high standing of its credit for so long a period. This particular seems to be the honesty on the part of the bank in never abusing its trust. No suspicion was ever aroused that the management, which literally was the Republic itself, ever sought to credit anyone with funds who was not entitled to such credit. In this absolute honesty, which is all the more striking when the general immorality of many Governments during a larger part of that period is remembered, the security of depositors rested; and it must be confessed that there is no similar history on record. During the latter part of the six centuries this bank existed, a subsidiary bank or branch was established in answer to the demands of the business public to have a safe place to deposit their money where they could get it again. This branch paid back to depositors the money deposited, but its transactions were on a small scale, comparatively, and its business was distinct and separate from that of the main institution; in fact, strictly speaking, it was an outside affair and adapted to different uses.
—*Providence Journal*.

SKILL IN HANDLING MONEY.

"It's what I call light and pleasant reading," said Mr. Philip Gulager, head of the coin division at the Sub-Treasury. "It's light and pleasant reading, but it's not true."

Mr. Gulager had been looking at a newspaper clipping offered for his consideration. The paragraph declared that an expert in handling metal money had become so proficient in the art that, even with his eyes closed, he could pick out from a lot of coin any piece that had either been tampered with or was made of base metal. As a matter of fact, counterfeiters are too skillful to turn out work to be detected in any such mind-reader fashion—that is, such of them as give their attention to the more valuable coins.

Mr. John Winchell looks after the gold coin which comes into the Sub-Treasury, and is the expert who is there to pounce upon the output of the counterfeiters. His experience, he said, bore out Mr. Gulager's statement. The eyes closed, legerdemain style of picking out bogus or defective coin was something nobody ever achieved. Every expert needed his eyes, and needed them very much. Even with the greatest care mistakes were made occasionally, most of them occurring on dark days, when the light was bad.

Just now there are not a great many counterfeits of gold coins coming to the Sub-Treasury. There used to be more of them when more

gold was in circulation. When the yellow pieces begin to travel about more generally again the counterfeits will probably increase in number. With silver the run of bogus coin is more regular. There have been 139 counterfeit silver dollars detected by the Sub-Treasury force this month, and they were not the first experts to go over a good share of the coin either. The banks, to be sure, are not remarkably captious in examining silver, but some of the corporations which take in a great deal of it—the elevated railroad company, for example—have experts employed to count their receipts. And these skilled men are like all the rest of humanity—they sometimes make mistakes.

Mr. Winchell keeps in a little leather case some of the coins which once attained circulation by masquerading as real products of the Mint. One of them looks so much like a genuine five-dollar piece that the visitor to whom it is shown immediately remarks the resemblance. Then he learns that, so far as its exterior is concerned, the coin is genuine. It is, in fact, a filled piece, the place of the gold once within the present shell having been taken by platina. This coin has a remarkably good ring. As to weight, it is just two grains heavier than a five-dollar piece should be. What chance the average citizen would have to discover that the actual value of the piece was \$1.50 can be imagined without any great trouble.

Another coin in the collection is a “washed” five-dollar piece. It is worth about 50 cents, and is sixty grains light. Yet it is not a particularly bad looking coin except to the eyes of an expert.

But ability to detect all manner of fraud is not all the expert must possess. Unfortunately there are some genuine coins which suspiciously resemble counterfeits, just as some very good men go through this world and have only to look at strangers to convince them that they are capable of any villainy. Every now and then somebody turns up at the Sub-Treasury with one of these luckless coins and drops it on the desk with an air of triumph.

“No good?” says the caller interrogatively as he listens to the ring.

“It’s genuine,” is the answer he gets when an examination of the piece has been made. The ring isn’t quite up to the standard, to be sure, but the coin is a real gold piece fresh from the Mint, and it is up to weight. What is the matter with it? Well, it probably has a crack in it, and its ring will never be true. So the caller goes away, happy that he has not been deluded into accepting a counterfeit after all.

Then, too, coin fresh from the Mint is sometimes a little off weight. It may be a grain heavy or a grain light, and yet it is just as genuine as a coin can be.

How long does it take to make an expert, to turn out a man who is up in the mysteries of “sweated” coin, “plugged” coin, “filled” coin, common every-day bogus coin, and all the other varieties manufactured with malice aforethought and intent to deceive? As may be supposed, some men could live to the age of Methuselah and never get out of the primer of the art. A man with a natural aptitude for the work, who devotes himself to it heartily, may learn the business in about two years; that is, he may become fairly proficient. But, the Sub-Treasury experts agree, nobody has ever become so nearly perfect as no longer to need the assistance of his eyes in separating good from bad money.—*New York Times*.

CREDIT CURRENCY.

Credit currency is an undeniably dubious subject. The orthodox economist will throw in its teeth the ominous word "assignat." The conservative banker will significantly jingle the sovereigns in his pocket to remind us that these are the final test of good money. But credit currency is none the less a substantial fact, one of the greatest and most distinctive in our modern commerce. Nine-tenths of our money transactions are performed with media which in one form or another represent credit. It may be the credit of the State, of public bodies, of financial corporations, or of private individuals. Whatever it be, it performs the functions of currency, and does it so well as to have driven metallic money into a corner. From a scientific standpoint it is not good money. It transgresses many of the fundamental rules of sound currency. It is not immediately convertible, save in theory. If gold were demanded for a tenth part of the checks and drafts passing through London banks in a single day, it could not be forthcoming. This credit money has no special security, and, if an issuer failed, his promissory notes would, in most cases, have to rank against his estate as an ordinary trade debt. It is not under any special protection or privilege from the State. Every document stands on its own merits, and the measure of its value is the credit of the name it bears.

Though unsecured, unprivileged and virtually inconvertible, this credit currency has reached an enormous development in every commercial state and is rapidly growing. It passes through the Bankers' Clearing House in London to the extent of sometimes fifty millions sterling per day, and the bank clearances in the United States average six hundred million dollars (£120,000,000) per day. If this be bad currency, the world has an overwhelming load of it. Our plight will be sad, indeed, for we cannot release ourselves from it. As well think of giving up railways and going back to pack-horses as stop our credit currency and revert to gold and silver. It is highly probable that instead of going back we shall go forward, and that credit currency will continue to develop. If so, the disproportion between the number of payments made in metallic money and in paper money will every year increase. Gold and silver will become smaller and smaller factors in commercial exchange, until a banker of the twentieth century will find it impossible to account for the extravagant importance that was attached to them in former days.

This monetary revolution, which is silently but rapidly going on, will, like revolutions generally, have mixed consequences. It brings advantages and disadvantages in its train. To monetary science it promises good, in so far as it may furnish clearer and more definite ideas of the functions of money. It will be free from the complexities which have necessarily beset the metallic system, in which the same thing has to be looked at in various characters—some real, some conventional and others imaginary. Gold, for instance, in currency has a medley of qualities. It is at the same moment a privileged subject and an article of commerce, a token and a thing of intrinsic value. It has a fixed legal price as money and a variable price as merchandise. It is wanted not merely for actual use, but for storing up.

People who deal in gold are not satisfied with enough for their daily needs. They must always have a reserve, and the keeping up of this sacred reserve occasions from time to time great scrambles for gold, on

the issue of which our entire monetary system is supposed to be at stake. When gold is leaving the country bankers shake their heads, and merchants apprehend a rise in the bank rate. When it is flowing in, the face of the banker brightens, and the bill discounter pricks his ears at the thought of getting his paper done for a half per cent. less.

Why the presence or absence of two or three million sovereigns from the cellars of the Bank of England should thus periodically disturb a commerce aggregating thousands of millions per annum has never been precisely explained. All requests for explanation are briefly referred to the Bank Act of 1844, which seems to have been framed on a hazy idea that gold sovereigns and bank notes might be made practically synonymous. It was not shown at the time, and has never been since, why they should be synonymous. It was not perceived that they could not possibly be made so in practice. The Act of 1844, in so far as it affects the currency, is an ideal unrealized and impracticable. It hangs in the air like the coffin of Mahomet, and is only consistent with itself when the State interposes to suspend it. Credit currency, in which the real work of commercial exchange is now done, possesses this great advantage over metallic currency, that it is hampered with no ideals and no economic axioms. It has grown up without the confusing assistance of philosophers and Parliaments. All they can say about it is that it is there, and is an awkward subject to account for.

Nor is there any impossible pretense about credit currency. It is that one thing and nothing more. It has been built up on certain forms of credit, and when any part of its foundation fails there is a smash. Unlike its privileged rivals, it condescends to obey the law of gravitation, and asks for no transcendental reverence. The champions of the gold sovereign claim for it a mystic power over prices and markets. If gold is abundant all other commodities must be scarce, and *vice versa*—a nonsensical proposition enough when plainly stated, but the essence of wisdom when expressed in scientific formula. In a credit currency paper is paper merely, an instrument worthless in itself and valuable only in connection with the purpose for which it has been created. When it has served that purpose it returns once more to nothing. It can claim no influence over prices or markets unless where a conventional value is given to it by making it a legal tender. But even in that case its essence is still credit. No Government on earth could compel people to accept paper money if there was not an assurance that it would be redeemed some time or other. There must be behind it faith in its ultimate conversion into real value.

The idea underlying metallic money is that of an immediate, unimpeachable, and unvarying value, which in the light of recent experience we need hardly say is fallacious. The fundamental idea of credit money is reasonable every-day security. B. will accept it from A. so long as he has good ground to believe that C., D., E. or F. will be equally ready to accept it from him. Behind this moral confidence of business men in each other there requires, of course, to be some ultimate security. A paper taken being confessedly valueless in itself must represent something which has value; otherwise, it would have no right to exist. All credit must have a substantial basis, but that may vary widely in the degree of its solubility. A mortgage on real property may be undisturbed for years; a bill of exchange may run for three, six, or even twelve months; a bank note must be convertible at any moment. These are, however, only differences of degree, not of kind. Assuming that proportionate care is exercised, a currency can be as safely built on credit as a mortgage or a bill discounting business. The one respect in which it falls short is simultaneous and complete convertibility, but this condition we have

shown is a pious fiction even in regard to paper secured on the precious metals. The Bank of England itself could not redeem all its notes at a given moment, and it were better surely to impress on people that fact than to repeat a parrot cry that every bit of paper money should have an existing equivalent in gold.

Immediate and absolute convertibility is not an indispensable condition of paper money, any more than it is a practicable one. What better off would people be if in a moment of financial panic they got all their notes forthwith turned into gold or silver? They would have raised the precious metals to an exorbitant value and have knocked the value out of all other commodities. For the sake of getting a useless store of gold and silver they would have ruined every other kind of property. That is hardly a situation which they should be encouraged to contemplate as the climax and outcome of a perfect currency. It were a wiser policy to teach them to look to paper money only for what is reasonable and practicable. It should always represent value, known value, or at least easily ascertainable; fairly uniform and steady in the market, or readily negotiable and valid over the widest possible area. If it has all these virtues it may get along without every note being immediately transformable into sovereigns. That last is a delusive notion, which excites panics rather than checks them. In a time of anxiety the worst thought men can get into their heads is that credit is unsafe and only gold is to be trusted. Acting on it they ignorantly destroy not merely credit, but the whole organization of property. Yet the political economists, and more marvelous still, practical bankers, are foremost in fostering the gold mania, which is the weak link in our currency system.

A commercial community which has to live on credit, and cannot live otherwise if it would, should spare no effort to keep credit good and sound. Anything tending to shake commercial confidence is a great danger, and, next to reckless trading or financiering, nothing tends so powerfully that way as extravagant ideas of the economic importance of gold. When a panic does come, gold is not the talisman that cures it. It is remedied by restoring confidence, and the first step toward that is generally to show the public that life is not impossible without gold. As an auxiliary to paper the precious metals are still of the greatest service, but the day is passed for them to be worshiped as the keystone of the world's currency.—*London Financial Times*.

ECONOMIC NOTES.

NEED OF BIMETALISM.

"I have no hesitation," says Sir David Barbour, Finance Minister of British India, "in saying that a common standard of value for England and India is absolutely essential to the well being of this country; and that by far the best and safest method of attaining so desirable a result is, to the best of my judgment, the adoption of the system of double legal tender by international agreement. The continuance of the present state of things is ruinous to Indian interests; the fluctuations in exchange affect our foreign trade most injuriously; the theory that the evil effects of such fluctuations can be eliminated by the exchange banks is not supported by facts. For example, a merchant in Calcutta may simultaneously buy piece goods in Manchester, sell them in India, and fix his exchange; but if exchange rises say 20 per cent. before the goods are paid for in India, the Indian purchaser finds that others can import the same goods 20 per cent. cheaper and undersell him to that extent.

In such case the Indian trader either suffers a ruinous loss or he breaks his engagement and refuses to take delivery.... The effect on Indian finance of the want of a common standard with the rest of the Empire is deplorable. In the estimates of the current year I had to provide for an additional charge of Rx. 1,700,000 on account of the fall in silver; for next year I anticipate a further charge of Rx. 1,500,000. If there is a surplus I am afraid to recommend the remission of taxation, as a week may see the surplus disappear. If there is a deficit I cannot propose taxation, as a turn of the wheel may convert a deficit into a surplus. In public as in private finance such a state of things produces a certain amount of recklessness which is not favorable to economy. Whether we are economical or the reverse, the question of a surplus or a deficit depends not on any action of ours, but rather on the course of exchange, and the course of exchange depends on we know not what. There are many thousands of miles of railway that might be made in India with great advantage to the country, which would at once return a moderate rate of interest on the capital, and which would ultimately pay well. The fear of a fall in silver, however, stands in the way of their construction. Meanwhile English capital flows into fraudulent companies, and is lent to foreign States where bankruptcy is only a question of time. It is an up-hill fight which you have before you, but the principles of bimetalism have made great, though quiet, progress, and perhaps the reform may come more quickly than we now anticipate. It used to be said that the Europeans in India merely wanted 2s. for their rupee. It was an ungenerous taunt at the best of times, and it is certainly not true in the present day. Almost any ratio between gold and silver would be gladly accepted if it were only permanent and stable."

INDUSTRIAL CHANGES IN GERMANY.

Not long ago, owing to the action and speeches of the German Emperor, German labor questions were prominent subjects of discussion, both here and in Europe. Now they are overshadowed by the financial and political crises, which still monopolize attention. A report, however, recently issued in Berlin, contains features worth noting. It appears that there has been a steady increase of about 5 per cent. annually in the number of work people in Germany since the year 1883, until they now number seven millions, and that since 1885 wages in most German industrial districts have advanced from 10 to 25 per cent. This improvement in wages has been accompanied by a general decrease in the cost of the necessities of life. Thus a very material change for the better is noted in the general condition of the laboring classes. The German laborer is distinguished for his socialistic tendencies; but these, it would appear, run more to politics than towards the practical solution of industrial problems. In connection with the latter, there is a wide diversity of opinion between the various labor organizations. While they are agreed that a maximum should be fixed for the length of a working day, there is apparently little prospect of their uniting on a more definite basis. The extreme socialists demand eight hours for all districts and all occupations; the Association of German Trade Unions, while desiring State intervention, would leave the actual number of hours to be fixed by the local authorities, in accordance with the conditions of the district and the particular occupation. The hard and fast eight-hour day is condemned as impracticable by the latter; and yet their own proposition would assuredly create so much confusion and cause such conflict of interests between various localities that putting it into practice would probably afford the best evidence of the futility of attempting State regulation of adult labor in ordinary occupations.

FRENCH POSTAL SAVINGS BANKS.

The system of postal savings banks was introduced in France in 1882. During 1890 the 6,817 branch postal banks received 1,949,371 separate deposits, representing the sum of \$50,465,832.47, which is a far larger sum than was handled during the previous year. The number of new accounts received during the year was 384,695, which was the largest number received during any one year since its organization, showing clearly the increased popularity of the institution. Of the above number of new depositors 150,787 were women and 199,908 were men; one-fourth of the entire number were minors. As an evidence how largely these French postal banks are patronized by the poorer classes, it may be stated that in 1890 there were 495,862 individual deposits, amounting to \$4 and under, 320,240 of sums between \$4 and \$20, 165,345 of from \$20 to \$40, 216,620 of from \$40 to \$100, and 41,964 of sums above \$400. Of the entire number of depositors one-half and more are credited with sums of less than \$20. That the system has been of great value to the people of France is indisputable. Indeed, it would have been strange had it been otherwise, as in England, Canada and elsewhere where these banks have been organized they have always fully met the expectations of their founders.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

FLA.... Key West....	First Nat. Bank.	MASS... Worcester ...	Worcester Five Cents Savings Bank.
GA.... Canton	Bank of Canton.	N.B.... Beatrice.....	Beatrice Nat. Bk.
MD.... Crisfield	Sav. B. of Crisfield.	N. Y.... Newburgh...	Quassaick Nat. Bk.
MASS... Boston	Bunker Hill Nat. Bank.	OKL. T. Oklahoma...	Oklahoma Nat. Bk.
" .. Williamst'n..	Williamstown Nat. Bank.	R. I.... Providence...	Industrial Tr. Co.

Other banks which have made minor improvements, put in new vaults, etc., are the following :

FLA.... Pensacola....	First Nat. Bank.	N. Y.... Fulton.....	First Nat. Bank.
-----------------------	------------------	----------------------	------------------

SALES OF BANK SHARES :

Location.	Name.	Sold at	Par.
NEW YORK CITY ...	American Exchange National Bank ..	156	—
" ..	Bank of New York, N. B. A.....	231	—
" ..	Central National Bank	139 $\frac{1}{4}$	—
" ..	Continental National Bank.....	135	—
" ..	East River National Bank.....	148	—
" ..	Gallatin National Bank.....	314	—
" ..	Leather Manufacturers National Bank.	235	—
" ..	National Bank of Commerce.....	190	—
" ..	National Bank of Republic.....	175	—
" ..	Western National Bank	120	—
" ..	Bowery Bank	312	—
N. J.... Jersey City.	First National Bank.....	311	—
N. Y.... Middletown.	Merchants & M'rs Nat. Bank.....	123 $\frac{1}{2}$	—

SOME RECENT BANK DIVIDENDS :

Location.	Name.	Annual.	Semi-Annual.
		Per cent.	Per cent.
NEW YORK CITY.....	Central National Bank.....	.....	3½
"	Chatham National Bank.....	.....	4 Quart.
"	Continental National Bank.....	.....	4
"	East River National Bank.....	.....	4
"	Importers & Traders National Bank.....	.....	10
"	Irving National Bank.....	.....	4
"	Leather Manufacturers National Bank.....	.....	5
"	Market & Fulton National Bank.....	.....	5
"	Mercantile National Bank.....	.....	3
"	National Bank of Republic.....	.....	4
"	National Butchers & Drovers Bank.....	.....	4
"	National Citizens Bank.....	.....	3½
"	National Park Bank.....	.....	5
"	Western National Bank.....	.....	3
"	Bank of America.....	.....	4
"	Bowery Bank.....	.....	6
"	Mount Morris Bank.....	.....	3
"	Oriental Bank.....	.....	5
"	North River Savings Bank.....	.....	3½
CONN...Hartford.....	Hartford National Bank.....	.....	4
ME...Saco.....	Saco & Biddeford Savings Inst.....	.....	2½
MINN...Duluth.....	Duluth Loan, Deposit & Trust Co.....	.....	4
N. Y...Chester.....	Chester National Bank.....	.....	2½
"Warwick.....	First National Bank.....	.....	6
PA...Doyleston.....	Bucks County Trust Co.....	.....	2½

EASTERN STATES.

CONN.—New London County has ten savings banks, with assets amounting to \$24,700,612. The population is 76,634; hence if the assets of these ten banks were divided between the inhabitants—men, women and children—of the county, there would stand to the credit of each \$322.32. Allowing five persons to each family, if the assets were divided equally among all the families each would have \$1,612. In the State of Connecticut there are 306,142 depositors in savings banks, and over \$130,000,000 on deposit by them.

NEW HAVEN, CONN.—A meeting has been held of the treasurers of many of the savings banks in Connecticut at the old savings bank, for the purpose of discussing the present law governing investments of the savings banks of the State, and considering the best measures for increasing the list of securities permitted under the present statutes. The present statute designates certain securities in which the State savings banks may invest, and as the amount of money in these banks seeking investment is greater than the demand for it, these securities are at a premium and the profits of the banks are cut down, which necessitates a proportionate reduction in the rate of interest paid to depositors. The banks are therefore seeking larger fields in which to invest and in this way benefit depositors. The treasurers of twenty-three of the largest savings banks in the State were at the meeting, and they represented \$96,000,000. After thoroughly discussing the present statute a committee of seven was appointed to draft a bill embodying the proposed changes and to present the same to the General Assembly.

NEW HAVEN, CONN.—The stock of New Haven banks is not all held by rich people, as some would believe. It is largely held by estates for widows and orphans, as it is known to be a safe investment. There are also people with small savings who invest in these stocks. The past year has witnessed a reduction of \$750,000 in these stocks, but the banking capital is not only considered ample for the present demands, but sufficient for a number of years to come. A considerable amount of these stocks were held by local savings banks, and these trust institutions re-invested in other securities. Not all of this \$750,000 was held in New Haven, but the proportion was large. To re-invest this large amount, recourse was largely

had to gilt-edge railroad and other securities, bonds, etc., while a part was used by individuals adding it to their business capital. Had this curtailment in the local banking capital come at about this time, much of it would have been laid aside for the debenture certificates which the New York, New Haven & Hartford road will soon issue. Much of this railroad stock is held in this city. It is not likely that any of the stockholders will let the opportunity slip to increase their holdings in this gilt-edge stock. To meet these requirements many of them will have to "scratch around," to use a common expression, in order to secure the necessary funds to take their proportion of the certificates. In a larger amount than usual individuals will put aside liberal sized nest eggs from their January dividends for this investment. Some will find it necessary to borrow money from the banks, sell some of their securities in other institutions and raise money in other ways, to pay it over to the Consolidated road, receiving in return the debenture certificates. The aggregate payments right here in New Haven for these securities will amount to a sum that would be surprising. Concerning the local savings banks, it has been learned that they are all in first-class condition, and that they are all being excellently managed. On January 1 they will pay the usual 4 per cent. dividends, and will have a good and safe surplus. A bank man in speaking of these banks said that the securities in which these banks invested were all first-class. Some of these holdings were worth much more than their face value, and it was estimated that of the total amount, the values above the face value of the securities would amount to at least \$1,000,000, and this sum really added just that amount to the security of these banks. The banks when taking railroad securities only invest in those which have been paying dividends for a number of years. The deposits the past year, it is said, will amount in the aggregate to as large a sum as in 1891.—*New Haven Register*.

LOWELL, MASS.—The finance committee voted to borrow \$100,000 for 10 years from the Lowell Institution for Savings. The rate is 4 per cent., and the bank paid \$1,000 premium. The loan of \$65,000 was borrowed from the commissioners of sinking funds.

WORCESTER, MASS.—Mr. Henry A. Marsh, president of the Central National Bank, has been elected mayor of that city. On June 8, 1853, Mr. Marsh entered the Central National Bank as a clerk, and was elected cashier, Oct. 6, 1862, having been in the bank but nine years, and being at that time but 26 years of age. He remained in this place for a little less than 30 years, or until Jan. 1, 1892, when he was elected president of the bank, which position he still holds. He was elected to the Common Council in 1867, and re-elected in 1868. He was elected to the Board of Aldermen in 1878, 1879, 1880 and 1881, and was elected president of the board in the latter year.

SALEM, MASS.—Edward H. Payson, the veteran cashier of the First National Bank of Salem, a few days since received the congratulations of his hundreds of friends, it being his 89th birthday. Mr. Payson is still an active business man, bright and cheery in his dealings with the customers of the bank. He is around at the bank often before the youngest men connected with the institution, and is as indefatigable in his labors as the youngest on the force. Mr. Payson has been in this bank nearly 70 years, entering upon his duties in his 22d year.

BOSTON.—At the auction sale of the Maverick National Bank there were included among others 40,000 shares Santa Fe Copper Co., 809 Boston & Chattanooga Syndicate, 400 East Boston Co., 50 Charles River Embankment Co., 150 Fort Worth Land and Street Railway Co., 100 Chelsea Beach Co., 25 Boston Heating Co., 30 Florida Southern Railway Co., \$3,750 demand notes of the Santa Fe Copper Co., and \$35,000 demand notes of Thomas Dana, indorsed by I. H. Evans & Co. There were also other stocks worth considerably more in the open market. Receiver Beal thought a while ago that there ought to be \$100,000 in the lot, and he looked expectantly at the auctioneer when the latter mounted a chair, and after reading off the list of securities called for a bid. "How much am I offered?" Everybody looked at everybody else, but nobody said anything except the auctioneer. He called for bids again. "How much am I offered for the lot?" A little man standing close to the receiver chirped out: "\$25,000." A painful wait ensued, and then Receiver Beal remarked: "I bid \$70,719.34." "Seventy thousand seven hundred

and nineteen dollars and thirty-four cents; do I hear 71?" inquired the auctioneer. He did not. "Seventy thousand seven hundred and nineteen and thirty-four once; \$70,719.34 twice—and——" "Sold," cried a man in the group, remarking sotto voce, "badly sold." "Thanks," said the auctioneer, ironically, "sold." He passed the memorandum of the bid back to Receiver Beal. The receiver did not say who the real bidder was, if there really was such. The one bid of \$25,000 was the only one beside the receiver's.

BOSTON, MASS.—The failure of the Maverick National Bank, of Boston, has brought up a very interesting question, which the courts will have to decide. The bank failed on Monday. On Friday a local firm paid their taxes to the collector by a check on the bank. The check went through the Clearing House and was not presented until after the bank had gone under. The firm claims that the collector did not use "due diligence" in collecting the check. The New York custom is to give twenty four hours for the collection. Manager Sherer, of the Clearing House, has said: "The question is virtually a legal one, and the courts must decide. I can only say that the New York rule is that twenty-four hours is 'due diligence.' If I gave you a check you would pass it in at your bank, and after going through the Clearing House it would be paid if good. Otherwise prompt notification would be given."

NEW YORK.—The American Bank Note Company of New York is preparing for the Government what will probably be the finest set of postage stamps ever issued. The set will contain stamps of fifteen different values, and will commemorate the four hundredth anniversary of the discovery of America by Columbus. The stamps will be on sale by January 1 and will be kept on sale one year. As a source of revenue to the Government the new stamps are expected to be very successful on account of the purchases of the stamp collectors.

NEW YORK.—Among the various amendments to the tax laws of the State, under course of development in the hands of the special tax commission, which will make its report at the re-convening of the Legislature, is one that will declare that deposits in savings banks are subject to taxation, the same as all personal property. There has been a great deal of discussion on this question as defined in the existing statute, and in many cases the local assessors have held that the deposits are exempted. The misunderstanding is the outcome of the fact that years ago they were exempt, but the law has been amended and remedied to such an extent that there is an ambiguity about its provisions which renders the interpretation indefinite. The State Superintendent of Banks has ever held that there was no exemption in every case brought under his jurisdiction. In a case decided by the Court of Appeals on October 4th, last, Judge Earl, in an opinion in which Judge Finch concurs, says that savings bank deposits, in common with all personal property, are subject to taxation. Although the other judges of the courts concur in the result arrived at in the opinion, they are non-committal in respect to that particular portion, as it was but accidental to the case under consideration. The amendment will directly affect millions of dollars now escaping taxation, and will be the source of great revenue to localities in which savings banks are situated. Another amendment contemplated to the sections of the law relating to savings banks is the placing of a tax upon their surplus. The commission reasons that, as the surplus is a money existence, an actual personal property of the banks, from which they receive a direct benefit, and which is sharing the protection afforded by the State, it should be taxed as is all property of a similar character.

NEW YORK CITY.—Owing to the recent death of Charles M. Fry, for sixteen years president of the Bank of New York, a new election of the executive officers of the bank has just taken place, which cannot fail to interest the financial world. The cashier, Ebenezer S. Mason, has been promoted to the presidency. Mr. Mason was born in New York, and educated in the public schools of Brooklyn. After a brief service as a boy in mercantile life he entered, in 1864, the Bank of New York, where he has been during the past twenty-seven years. He first filled the positions of assistant bookkeeper and corresponding clerk. In 1873 he was made assistant cashier, and in 1882 cashier. Mr. Mason is also a director in the Real Estate, Loan and Trust Company. R. B. Ferris, who was made vice-president in 1882, still retains that position. Charles Olney, the former assistant cashier, has

been made cashier. Mr. Olney was born in New York in 1849, and was educated to enter the Free Academy, but instead of remaining in that institution went into the dry goods business and came to the Bank of New York in 1865, and has since occupied the positions of messenger, assistant bookkeeper, assistant teller, loan clerk, and has had charge of the sterling exchange department of the bank. He was made assistant cashier in 1881. The assistant cashier is Edward T. Hulst, who entered the bank in 1865. He has been gold clerk, assistant to the receiving teller, and afterward receiving teller and certifying teller. The new second assistant cashier of the bank is George P. Hall, who entered the Bank of New York in 1870, and has occupied the positions of gold teller, transfer clerk and register. The Bank of New York was established in 1784, and is the oldest banking institution in the city of New York. Alexander Hamilton drew up the constitution of the bank, and was one of the first directors.

HARRISBURG, PA.—The records of the banking examiner's department show that there are in the State 84 banks, 75 trust companies, and 16 savings fund associations, a total of 175.

PHILADELPHIA.—Just now the Philadelphia common council are in a controversy over the payment of interest on deposits to the banks. When the rate was at first fixed at two per cent. some of the banks refused to take them and pay it, but now that money has advanced they are desirous of getting a portion of them, and are willing to pay for them. But it is contended that the other banks which paid the rate when money was worth less should be permitted to retain them.

PHILADELPHIA.—At the annual meeting of the Bank Clerks' Beneficial Association Mr. B. F. Dennison presided, and Mr. G. A. H. Rose was secretary. The annual reports submitted show that the invested fund now amounts to \$30,500, and cash in treasury to \$6,642.42. The total receipts were \$8,178.16; total expenses, \$6,750.30; membership in 1891, 381; in 1892, 443. Three honorary members were elected during the year. The amount of benefits or insurance for the next year was fixed at \$900, and \$10 extra for each year of membership. The association has paid out in benefits, in 24 years, \$63,070. The election for officers resulted thus: President, B. F. Dennison; vice-president, John C. Garland; treasurer, Robert E. Wright; recording secretary, G. A. H. Rose; corresponding secretary, J. De Silver Getz; directors, L. Renshaw, W. T. Nelson, W. De Puy, C. S. Austin, Theodore Musgrove, J. B. Stewart, A. P. Rutherford, J. C. Pinkerton, R. M. Scott, D. S. Craven and H. J. Delany.

PROVIDENCE, R. I.—The city of Providence now keeps its funds in the Industrial Trust Company instead of the Merchants' National Bank. They pay 3½ per cent. for the account.

WESTERN STATES.

VINCENNES, IND.—The German National Bank of this city just increased its circulation from \$22,500 to \$90,000, having a total of \$100,000 in United States bonds deposited with the United States Treasurer at Washington. The only three National banks in Indiana having a greater circulation are located at Aurora, Fort Wayne and Terre Haute, each having \$180,000 of notes in circulation. The German Bank officials are highly gratified at the rapid strides their institution is making to gain a leading place with the monetary concerns of the country.

DETROIT, MICH.—At a meeting of the executive council of the Michigan Bankers' Association there were present S. O. Fisher, of W. Bay City; Fred H. Potter, of Saginaw; J. W. Porter, of Port Huron; H. V. C. Hart, of Adrian, and Frederick W. Hayes, M. W. O'Brien, George H. Russell and Frederick Marvin, of Detroit. A committee composed of M. W. O'Brien, George H. Russell and F. W. Hayes was appointed to draft a bill to present to the next Legislature abolishing days of grace, and another to establish a half holiday on Saturday.

MINNEAPOLIS, MINN.—The State Bankers' Association held its annual meeting in St. Paul and elected officers for the coming year as follows: President, H. R. Wells, of Preston; vice-president, E. P. Smith, of Le Sueur; secretary, W. D. Parsons, of Dodge Center. The board of directors is composed of F. E. Kenaston, Breckenridge; Charles Kittelson, of Minneapolis; F. H. Wellcome, of Apple-

ton; L. Kells, of Sauk Centre; C. H. Davis, of Glencoe; M. R. Everett, of Waterville, and Jorgan Sunor, of Appleton. The association decided to establish a fund for the prosecution of forgers.

LINCOLN, NEB.—The State National Bank of Lincoln has been consolidated with the American Exchange National Bank and hereafter its business will be conducted by the latter bank. A number of the officers and directors of the State National Bank will be interested in the new bank, which will be one of the strongest in the city, the intention of the management being to largely increase the capital, and in other ways to keep up its reputation as a progressive institution.

LINCOLN, NEB.—At the meeting of the State Bankers' Association Hon. A. U. Wyman brought up the matter of the abolition of the days of grace. At his request the secretary read from the advance report of the proceedings of the American Bankers' Association a resolution urging that all days of grace be abolished by legislative enactment. In order to secure uniformity of action in the several States the American Association prepared and submitted a form of a bill to be introduced in the Legislatures, of which the following is the principal clause: "Section 1. All notes, drafts, checks, acceptances, bills of exchange, bonds or other evidences of indebtedness, whereby he, they or it shall promise to pay to any person, corporation, or order, or the bearer, any sum of money as therein mentioned, and in which there is no expressed stipulation to the contrary, no grace according to the custom of merchants, shall be allowed, but the same shall be due and payable as therein expressed on the day and date named, without grace." Mr. Wyman argued in favor of the resolution. C. F. Bentley, cashier of the First National of Grand Island, thought that due dates of paper maturing on Sundays and holidays should also be definitely settled. Where the last day of grace fell on Sundays and holidays the Nebraska Supreme Court had decided that such paper should be presented the day after. Many prominent lawyers believed this decision wrong and likely to be contradicted by other Supreme Courts. On account of the protest laws it is important to know beyond a question whether the paper should be protested the day before or the day after. On motion of J. H. Mickey a committee of seven was appointed to consider and report upon the two questions raised by the discussion. The committee was constituted as follows: J. H. Mickey, Osceola, chairman; H. W. Yates, C. F. Bentley, Grand Island; Thomas Wolfe, David City; N. S. Harwood, Lincoln; G. A. Liukart, Tilden; S. C. Smith, Beatrice.

WISCONSIN.—The Milwaukee *Sentinel* recently gave a glowing account of the evils of State currency as it was thirty-two years ago. It states that 1,547 bank failures occurred in less than ninety days. The bank currency of Wisconsin was subject to the common lot. Bank failures were of frequent occurrence during the years 1856, '57, '58, '59; the list of discredited banks grew longer from week to week, and the climax was reached in the spring of 1861. April 25, 1861, the bankers of Wisconsin held a convention for the purpose of ascertaining the banks entitled to credit, and to devise some plan whereby confidence would be inspired and business, which had become nearly paralyzed, restored to its normal condition. The convention discredited eighteen weak banks, and issued a circular signed by fifty-two bankers agreeing to continue to receive and pay out the notes issued by them until December 1 of the same year. But the agreement did not work. Some banks refused to be bound on the decision of the convention of April 25. The Milwaukee banks became flooded with discredited bank notes. Accordingly the bankers of this city met and decided to throw out ten banks from the list of seventy which had been passed on favorably at the April convention. Such action was taken on Saturday, June 21. The workmen had just received their weekly wages, and on reading over the list of ten banks thrown out they discovered that most of the money paid them was in bills of the discredited banks. They had already been subject to sufficient loss by the uninterrupted succession of bank failures, and the new discovery completely exhausted their patience. On the following Monday there was a riot, which is still remembered by many eye-witnesses. This is the state of affairs which we are again threatened with, and which will undoubtedly be precipitated upon the country, if, as is demanded by the radical wing of the Democratic party, the virtually prohibitory tax is withdrawn from State bank currency. Among the many causes for thankfulness in this season of National thanksgiving

not the least is our present safe and reliable system of currency. The contrast between the past and present condition of the country is in nothing more conspicuous than in this.

MILWAUKEE, WIS.—The start made by the Wisconsin National Bank is something phenomenal, and already places it in the front rank of the largest banks in the country. A capital of \$1,000,000 would naturally do this, but when it comes to taking in deposits over \$500,000 in one day there is no longer any question as to the importance of this acquisition to the commercial interests of Milwaukee. The deposits of the bank were considerably in excess of the amount stated.

SOUTHERN STATES.

CHATTANOOGA, TENN.—Three or four years ago our manufacturers and business men were pushing their wares and business into every corner of the South, and the attention of the whole United States was called to Chattanooga as the natural commercial and financial center of the States south of the Ohio, and east of the Mississippi Rivers. A bank directory of January, 1889, contained the names of the five banks of Chattanooga at that time. During that year eight new banks were started, giving us thirteen banks at the beginning of 1890. Since that time three new banks have started, and the same number have gone into liquidation, leaving at the present time thirteen banks in operation. January 1st, 1889, the banks of the city had total deposits of about \$2,000,000. During the flourishing commerce of the next eighteen months the deposits rapidly increased, showing in July, 1890, \$4,500,000 on deposit. The depression in the South caused by the low price of cotton, followed by the Baring failure in the fall of 1890, very materially lessened traffic in our natural markets, and in fifteen months deposits declined to about \$3,000,000. During this trying time there was no bank failure, and we know of no failure of any concern from want of bank accommodations. Deposits at the present time are something over \$3,000,000.—*Chattanooga Times*.

SAN ANGELO, TEXAS.—At the West Texas Bankers' Association of which F. B. Gray, of San Angelo, is president, and F. Brandenburg, of Brownwood, secretary, various subjects looking to the welfare of the association were considered. The question of overdraft was discussed at considerable length, it being the unanimous opinion that the practice should be done away with entirely, and each member pledged himself to abolish the practice. While in some instances the banks may lose a few customers by doing so, in the end both the bank and customer will be benefited. It was decided that the practice of a few trade center banks in sending collections through express companies to avoid paying exchange charges is one that is not in keeping with legitimate banking, and was so denounced. A resolution was adopted recommending to President Cleveland the appointment of W. R. Hamby, cashier of the American National Bank of Austin, to the office of Comptroller of Currency. The question of extending the territory of the association, with a view of taking in other banks, prompted much animated talk against it, and it will remain as now defined. The proceedings throughout were harmonious and all were pleased with the business transacted. New officers were elected as follows: George E. Webb, cashier Concho National Bank of San Angelo, president; L. E. Collins, assistant cashier First National Bank of Coleman, vice-president; R. H. Alexander, assistant cashier Coleman National Bank, secretary; F. Brandenburg, assistant cashier First National of Brownwood, treasurer. Representatives to State Bankers' Association, A. S. Reed, of the Ballinger National; S. J. Walling, of Brownwood; and Albert Raas, of the San Angelo National. The association adjourned subject to call of the executive committee.

PACIFIC STATES.

SAN FRANCISCO.—The city of San Francisco in a short time will have a reputation established for the beauty of its bank buildings. A number of banks have recently erected handsome structures, the latest being the German Savings and Loan Society, which next week will move from its present quarters at 526 California street to its new building adjoining the one it now occupies. In the old building complaints were made regarding the absence of light and ventilation and it was decided by the officials of the institution to secure or construct an edifice that would

afford more convenience to both patrons and employees. So it was resolved to build on the property adjacent to the old site. The new bank is a substantial two-story structure with a marble front of handsome design, and it is absolutely fire and burglar-proof throughout, the only wood-work being the desks and office partitions on the main floor. The interior of the bank borders on the palatial, the ceilings being elegantly frescoed and the floor of mosaic work of an exquisite pattern, while the desks and offices are handsome mahogany and surmounted by beautiful iron grill work. Nothing has been left undone to make the building complete in the slightest details, and that the plans were carefully prepared and executed is evident upon an inspection of the premises.—*San Francisco Post*.

FOREIGN.

FOREIGN.—It is rumored that the British Indian Government proposes to establish a State Bank in India, with a large capital and note circulation. The object in establishing the bank, it is said, is to facilitate State remittances and to abolish the sales of India bills.

Sterling exchange has ranged during December at from 4.87 @ 4.88½ for sight, and 4.85 @ 4.86½ for 60 days. Paris—Francs, 5.15½ @ 5.14½ for sight, and 5.18½ @ 5.16½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85½ @ 4.85¾; bankers' sterling, sight, 4.87½ @ 4.87¾; cable transfers, 4.87¾ @ 4.88. Paris—Bankers', 60 days, 5.17½ @ 5.16½; sight, 5.15½ @ 5.15. Antwerp—Commercial, 60 days, 5.19½ @ 5.18¾. Reichsmarks (4)—bankers', 60 days, 95¼ @ 95½; sight, 95½ @ 96. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40¾ @ 40 7-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Dec. 5.	Dec. 12.	Dec. 19.	Dec. 24.	Dec. 31.
Discounts.....	5¼ @ 6	5¼ @ 6	5¼ @ 6	6 @ 8	6 @ 8
Call Loans.....	5 @ 4	5 @ 4	6	5 @ 4	
Treas. balances, coin.....	\$94,337,227	\$92,710,871	\$87,834,907	\$87,410,673	\$86,241,835
Do. do currency....	5,618,436	6,518,107	8,874,514	5,083,072	6,374,597

The reports of the New York Clearing-house returns compare as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Dec. 3..	\$444,628,200	\$79,009,800	\$41,109,400	\$454,861,800	\$5,616,900	\$6,493,750
" 10 ..	442,560,700	77,714,600	40,536,900	451,046,800	5,536,200	5,509,800
" 17 ..	441,801,200	76,995,500	40,748,600	449,195,500	5,589,300	5,445,225
" 24..	438,180,900	76,885,300	40,383,800	444,370,200	5,632,000	6,176,575
" 31..	437,722,000	75,968,300	42,018,600	444,582,400	5,554,600	6,830,550

The Boston bank statement is as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Dec. 3.....	\$163,336,600	\$10,638,200	\$5,440,900	\$152,633,100	\$5,023,700
" 10.....	161,798,500	10,741,300	5,702,700	152,016,500	5,080,500
" 17.....	160,448,100	10,566,200	5,636,700	151,564,700	5,151,100
" 24.....	160,042,400	10,324,400	5,169,000	146,770,100	5,148,800

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	Loans	Reserves	Deposits.	Circulation.
Dec. 3.....	\$106,311,000	\$28,314,000	\$107,585,000	\$3,600,000
" 10.....	106,290,000	27,465,000	106,086,000	3,599,000
" 17.....	105,066,000	27,039,000	104,624,000	3,612,000
" 24.....	103,354,000	26,004,000	101,970,000	3,615,000
" 31.....	103,254,000	26,373,000	102,716,000	3,602,000

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from December No., page 476.)

<i>State.</i>	<i>Place and Capital</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
CAL....	Palo Alto.....	Bank of Palo Alto..... B. Parkinson, <i>P.</i>	Hanover National Bank. Geo. R. Parkinson, <i>Cas.</i>
"	..San Luis Obispo	County Bank..... Joseph Hutchinson, <i>V. P.</i>	J. F. Parkinson, <i>Ass't.</i> Hanover National Bank.
	\$150,000	John P. Andrews, <i>P.</i>	Robert E. Jack, <i>Cas.</i>
COL....	Colorado City..	Colorado City State Bank. Wm. L. Beebee, <i>V. P.</i>	F. B. Jack, <i>Ass't.</i> Merchants Exchange Nat. Bank.
	\$30,000	Chas. M. Sherman, <i>P.</i> Chas. Storkbridge, <i>V. P.</i>	M. J. Myers Smith, <i>Cas.</i>
DAK. S.	Hudson.....	Hudson State Bank..... Frank M. Bimsing, <i>P.</i>	Charles H. Cassill, <i>Cas.</i>
	\$10,000	W. K. Slade, <i>V. P.</i>	
IND....	Gas City.....	First National Bank..... M. B. Wilson, <i>P.</i>	Tradesmens National Bank. C. E. Pritchard, <i>Cas.</i>
	\$50,000	J. M. Maring, <i>V. P.</i>	
IOWA....	Salix.....	Salix State Bank..... Jas. F. Toy, <i>P.</i>	J. W. Currier, <i>Cas.</i>
	\$30,000	J. C. Currier, <i>V. P.</i>	E. B. Currier, <i>Ass't.</i>
"	..Sanborn.....	First National Bank..... William Harker, <i>P.</i>	J. H. Daly, <i>Cas.</i>
	\$50,000	Miles Moe, <i>P.</i>	Chas. B. Mills, <i>Cas.</i>
"	..Sioux Rapids...	Security Bank..... Alvin H. Hulett, <i>V. P.</i>	
MD....	Pocomoke City..	E. G. Polk & Co..... \$5,000	E. G. Polk, <i>Cas.</i>
MICH...	Northville.....	Northville State Sav. Bank. John M. Swift, <i>P.</i>	United States National Bank. Louie A. Babbitt, <i>Cas.</i>
	\$25,000	Wm. P. Yerkes, <i>V. P.</i>	
"	..Pontiac.....	Oakland Co. Sav. Bank..... Byron G. Stout, <i>P.</i>	Chas. W. French, <i>Cas.</i>
	\$50,000	Augustus C. Baldwin, <i>V. P.</i>	D. H. Power, <i>Ass't.</i>
MINN...	Appleton.....	First National Bank..... Florado H. Wellcome, <i>P.</i>	Lewis B. Tadsen, <i>Cas.</i>
	\$50,000	Clara City State Bank..... De Archy McLarty, <i>P.</i>	First National Bank. Mathew S. Carl, <i>Cas.</i>
"	..Clara City..	A. J. Volstead, <i>V. P.</i>	L. O. Johnson, <i>Ass't.</i>
"	..Clinton.....	Bank of Clinton..... J. L. Erickson, <i>P.</i>	J. H. Erickson, <i>Cas.</i>
	\$15,000	W. R. Baumbach, <i>P.</i>	C. W. Baumbach, <i>Cas.</i>
"	..Wadena.....	First National Bank..... Frank Willson, <i>V. P.</i>	W. W. Winslow, <i>Ass't.</i> Chase National Bank.
	\$50,000	Chas. W. Hoyt, <i>P.</i>	Walter Thexton, <i>Cas.</i>
"	..West Duluth...	Merchants Bank..... H. C. Dennett, <i>V. P.</i>	
	\$25,000		
MISS...	Summit.....	Peoples Bank..... Clinton Atkinson, <i>P.</i>	Importers & Traders Nat. Bank. Ernest S. Atkinson, <i>Cas.</i>
	\$25,000	Julius Moyse, <i>V. P.</i>	Edward F. McNair, <i>Ass't.</i>
MO....	Marshall.....	Bank of Marshall..... Alex. Denny, <i>P.</i>	Geo. H. Althouse, <i>Cas.</i>
		James Martin, <i>V. P.</i>	Jas. M. Denny, Jr., <i>Ass't.</i>
"	..Westport.....	Bank of Westport..... James C. Rieger, <i>P.</i>	National City Bank. Edw. F. Phillips, <i>Cas.</i>
	\$10,000	John R. Johnston, <i>P.</i>	Frank H. Connor, <i>Cas.</i>
NEB....	Crete.....	Crete National Bank..... W. Vilda, <i>P.</i>	C. A. Caldwell, <i>Cas.</i>
	\$50,000		
"	..Oxford.....	Citizens State Bank..... \$15,000	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
N. Y.	Buffalo.....	City Bank..... \$300,000 William C. Cornwell, <i>P.</i> P. H. Griffen, <i>V. P.</i>	.....
N. C.	Washington....	Bank of Washington.....	United States National Bank.
		\$50,000 Seth Bridgman, <i>P.</i>	Thos. J. Latham, <i>Cas.</i>
"	Washington....	Beaufort Co. Bank.....	Hanover National Bank.
		\$10,000 Chas. M. Brown, <i>P.</i>	Alonzo M. Dumay, <i>Cas.</i>
		Geo. R. Dupuy, <i>V. P.</i>	
OHIO	Miamisburg....	Citizens National Bank....	.....
		\$100,000 William Gamble, <i>P.</i>	Chas. L. Hardman, <i>Cas.</i>
OKL.	T. El Reno.....	First National Bank.....	.....
		\$50,000 J. T. Allison, <i>P.</i>	B. F. Still, <i>Cas.</i>
PA.	Corry.....	National Bank of Corry....	National Bank Deposit.
		\$50,000 Manley Crosby, <i>P.</i>	Lew E. Darrow, <i>Cas.</i>
		N. W. Hull, <i>V. P.</i>	
"	Philipsburg....	Philipsburg National Bank.	.....
		\$50,000 Wm. P. Duncan, <i>P.</i>	O. Perry Jones, <i>Cas.</i>
WASH.	Orting.....	State Bank of Orting.....	Chase National Bank.
		\$15,000 John Hughes, <i>P.</i>	Elisha S. Callendar, <i>Cas.</i>
"	Seattle.....	Union Trust Co.	Chase National Bank.
		\$255,000 Watson C. Squire, <i>P.</i>	Manson F. Backus, <i>Sec. & Tr.</i>
		E. O. Graves, <i>V. P.</i>	C. H. Hagan, <i>Mgr.</i>
"	Tekoa.....	Tekoa State Bank.....	N. Y. Security & Trust Co.
		\$24,000 H. S. Moody, <i>P.</i>	O. D. Moody, <i>Cas.</i>
		D. C. Sparks, <i>V. P.</i>	
W. VA.	Charleston....	Commercial Sav. Bank....	.....
		\$50,000 Patrick F. Duffy, <i>P.</i>	Chas. W. Young, <i>Cas.</i>
		O. S. Long, <i>V. P.</i>	
WIS.	Spring Valley..	Exchange & Savings Bank.	.....
		\$10,000	W. G. Spence, <i>Cas.</i>

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from December No., page 474.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY. Bank of New York, N. B. A.	{ Chas. Olney, <i>Cas.</i>	E. S. Mason.
	{ Edw'd T. Hulst, <i>Ass't.</i>	Chas. Olney.
	{ Geo. P. Hail, <i>2d Ass't.</i>.....	.....
CAL.... First National Bank, Riverside.	Stanley J. Castleman, <i>Cas.</i> ..	A. Haeberlin.
" .. Main St. Sav. B'k & Tr. Co., Los Angeles.	{ J. V. Wachtel, <i>Cas.</i>	F. W. De Van.
COL.... American National Bank, Leadville.	{ Albert Sherwin, <i>P.</i>	M. H. Williams.*
	{ Chas. Limberg, <i>V. P.</i>	Albert Sherwin.
CONN... Connecticut N. B., Bridgeport.	N. S. Shelton, <i>Ass't.</i>.....	.....
DAK. N. First Bank, Crystal.	{ A. F. Appleton, <i>P.</i>	L. E. Booker.
	{ John Bill, <i>V. P.</i>.....	.....
" .. Hunter State Bank, Hunter.	{ J. H. Gale, <i>P.</i>	Ed. H. Paine.
	{ W. H. Simmons, <i>Cas.</i>	A. H. Paine.
GA.... First National Bank, Macon.	{ R. H. Plant, <i>P.</i>	I. C. Plant.*
	{ George H. Plant, <i>V. P.</i>	R. H. Plant.
ILL.... Corn Belt B'k, Bloomington.	Vinton E. Howell, <i>P.</i>	John McNulta.
" .. Chemical Nat. Bank, Chicago.	C. E. Braden, <i>Cas.</i>.....	.....
" .. Calumet N. B., South Chicago.	John Cunnea, <i>P.</i>	J. J. Fitzgibbon.*
IND.... First National Bank, Elwood.	Chas. C. De Hority, <i>Cas.</i> ...	Jas. M. Barton.
" .. Citizens Nat. B., Jeffersonville.	George Pfau, Jr., <i>Cas.</i>	F. W. Poindexter.*
	{ Jas. L. Bever, <i>P.</i>	S. C. Bever.*
IOWA.. City National Bank, Cedar Rapids.	{ John B. Bever, <i>Cas.</i>	Jas. L. Bever.
	{ J. R. Amidon, <i>Ass't.</i>	John B. Bever.
" .. Iowa Nat. Bank, Davenport.	Chas. Pasche, <i>Cas.</i>	Chas. N. Voss.
" .. First National Bank, Denison.	{ M. S. McHenry, <i>V. P.</i>.....	.....
	{ Louie Seeman, <i>Ass't.</i>.....	.....

* Deceased.

	<i>Bank and Place.</i>	<i>Elected</i>	<i>In place of.</i>
IOWA...	First National Bank,	H. M. Gabriel, <i>V. P.</i>.....	.....
	Glidden.	J. Coder, <i>Ass't.</i>.....	.....
"	Peoples N. B'k, Independence.	Lyman J. Curtis, <i>V. P.</i>	C. W. Lillie.*
"	First National Bank,	D. Joyce, <i>P.</i>	O. McMahan.*
	Lyons.	Chas. I. McMahan, <i>V. P.</i>	D. Joyce.
KY.....	Merchants Nat. Bank, Ashland.	S. P. Hager, <i>V. P.</i>	F. Coles.
ME.....	Peoples Nat. Bank, Belfast.	Frank R. Wiggin, <i>Cas.</i>.....	.....
MASS.....	First Nat. Bank, Adams.	Jas. Renfrew, <i>P.</i>	Henry J. Bliss.*
"	Dedham Nat. Bank, Dedham.	Augustus B. Endicott, <i>P.</i>	L. H. Kingsbury.*
MINN.....	Martin Co. Bank, Fairmont.	F. L. Leonard, <i>Act'g Cas.</i>	F. A. Paterson.
"	Metropolitan B'k, Minneapolis.	E. R. Gaylord, <i>Cas.</i>	C. E. Braden.
"	First Nat. Bank, Moorhead.	Edwin Adams, <i>Cas.</i>	O. J. Qualley.*
"	First National Bank, Wells.	A. O. Oleson, <i>Ass't.</i>.....	.....
MO.....	Carthage Nat. Bank, Carthage.	Wm. H. Waters, <i>V. P.</i>.....	.....
N. Y....	Troy City Nat. Bank, Troy.	Frank E. Norton, <i>Cas.</i>	O. E. Van Zile.*
N. C....	First Nat. Bank, Statesville.	John A. Cooper, <i>P.</i>	Geo. F. Shepherd.
OHIO..	Citizens B'k Co., Yellow Springs.	J. F. Stewart, <i>P.</i>	J. M. Starbuck.
PA.....	Farmers Deposit Nat. Bank,	T. H. Given, <i>P.</i>	Joseph Walton.*
	Pittsburgh.	J. W. Fleming, <i>Cas.</i>	T. H. Given.
TENN..	First Nat. Bank, Athens.	W. D. Henderson, <i>V. P.</i>.....	.....
TEXAS..	First N. Bank, Marble Falls.	Otto Ebeling, <i>Cas.</i>	W. O. Richardson.
WASH..	Fidelity Tr. & Sav. B'k, Everett.	C. E. White, <i>Cas.</i>	C. B. Stackpole.
"	Nat. Bank Commerce, Tacoma.	Edw. Huggins, <i>V. P.</i>	J. C. Weathered.
Wis....	Exchange State Bank,	Henry P. Magill, <i>V. P.</i>	N. B. Holway.
	La Crosse.	E. B. Rynning, <i>Cas.</i>	Henry P. Magill.
"	National Exchange Bank,	Chas. Ray, <i>P.</i>	C. D. Nash.
	Milwaukee.	J. W. P. Lombard, <i>V. P.</i>	Chas. Ray.
"	Plankinton Bank,	W. H. Momsen, <i>Cas.</i>	J. P. Murphy.
	Milwaukee.	Jos. Moody, <i>Ass't.</i>	W. H. Momsen.
"	Wis. Mar. & F. Ins. Co. B'k,	John Johnston, <i>ad V. P.</i>.....	.....
	Milwaukee.	J. P. Murphy, <i>Cas.</i>	John Johnston.
ONT....	Bank of Ottawa, Arnprior.	Francis Cole, <i>M'gr.</i>	D. M. Finnie.
"	Molsons Bank, Brockville.	E. F. Kohl, <i>M'gr.</i>	A. B. Brodrick.

* Deceased

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during December, 1892.

- ALA....Talladega.....Isbell National Bank, by Isbell & Co. and associates.
- ARIZ...Prescott.....Prescott National Bank, by D. M. Ferry, Detroit, Mich., and associates.
- COL....Cripple Creek..First National Bank, by James M. Parker and associates.
- DAK. S..Spearfish First National Bank, by Anson Higby, Deadwood, S. D., and associates.
- ILL....TolucaFirst National Bank, by Charles J. Devlin, Topeka, Kan., and associates.
- IND....Elwood.....Elwood National Bank, by H. D. Seymour and associates.
- " ..MuncieMerchants National Bank, by Herdin Roads and associates.
- MD....Hagerstown...Peoples National Bank, by A. C. Strife and associates.
- MINN...Austin.....Citizens National Bank, by John W. Scott and associates.
- MONT ..Phillipsburg...Merchants and Miners National Bank, by C. H. Eshbaugh and associates.
- N. J....HarrisonFirst National Bank, by W. A. Simpson, Newark, N. J., and associates.
- N. C....Mount Airy....First National Bank, by J. F. Larmfield and associates.
- " ..Washington...First National Bank, by A. M. Dumay and associates.

- OHIO...Cadiz.....Fourth National Bank, by T. E. Johnson and associates.
 • ..Cleveland.....Cuyahoga National Bank, by W. F. Carr, Cleveland, O., and associates.
 • ..Wilmington....Peoples National Bank, by F. M. Moore and associates.
 PA.....Clearfield.....Clearfield National Bank, by James Mitchell and associates.
 TEXAS..Fort Worth....American Exchange National Bank, by W. J. Boas and associates.
 W. VA..DavisFirst National Bank, by J. S. Jamesson, Piedmont, W. Va., and associates.
 Wis....WashburnFirst National Bank, by E. A. Gooding, Wausau, Wis., and associates.

PROJECTED BANKING INSTITUTIONS.

- N. Y...New York.....Yorkville Bank; capital, \$100,000. Stockholders: Adolph Kuttroff, Emil Unger, John Marsching, Henry Diedel and others.
 ARIZ...Phoenix.....J. H. Brawley, of Los Angeles, Cal., is opening a savings bank at Phoenix, with \$250,000 capital.
 ARK....Brinkley.....Peoples Savings Bank; capital, \$25,000. Parker C. Evans, President; C. A. Labelle, Secretary and Treasurer.
 • ..Hope.....Bank of Hope; capital, \$50,000. J. T. West, President; W. Y. Foster, Vice-President; S. R. Oglesby, Cashier.
 COL....Denver.....Miners Loan, Trust and Safe Deposit Co.; capital, \$250,000. Incorporators: A. H. Barnes, J. L. Hays, T. C. Robinson.
 • ..Globeville.....A new savings bank to be established.
 • ..La JuntaLa Junta State Bank; capital, \$30,000.
 CONN...Bridgeport....Bridgeport Banking and Trust Co.; capital, \$150,000. Incorporators: E. A. Hawley, P. W. Wren, Henry Setzer, Frank Armstrong, Jacob Kiefer, Chas. R. Brothwell.
 • ..Bridgeport....Dime Savings Bank. Edward A. Hawley, P. W. Wren and others are incorporators.
 • ..Waterbury.....A safe deposit company incorporated here.
 FLA....Apalachicola...New bank to be started soon.
 GA.....AlbanyNew bank to be established.
 • ..Lexington.....New bank started.
 • ..Millen.....Bank of Millen. William S. Witham, President; J. H. Daniels, Sr., Vice-President.
 • ..WarrentonBank of Warrenton; capital, \$25,000. Incorporators: William Witham, E. B. Farmer, W. J. Norris, L. A. Cason, J. Whitehead, M. R. Hall, S. L. Patillo, J. A. Allen.
 ILL....Chicago.....Bank of Chicago; capital, \$200,000. Incorporators: Merritt W. Pinckney, Claus F. Clausen, Henry Jaeger.
 • ..Rogers Park...Security Bank; capital, \$25,000. Incorporators: Wallis N. Cook, Peter Phillip, Daniel D. Rathrick, Jacob Snyder, Andrew T. Hodge.
 • ..Toulon.....Farmers State Bank; capital, \$25,000. Incorporators: Wm. Holgate, John W. Cole, Geo. Armstrong, Robert Grieve, Martin Rist.
 IND....ElwoodElwood National Bank; capital, \$1,000,000. Col. A. L. Conger, Akron, O., President. Stockholders: L. L. Leeson, James Oversheimer, Dr. S. W. Edwins, John Deal, J. Meyer, J. F. Rodfer.

- IND....** Martinsville.... Nathan E. Hubbard, Jesse H. Hadley, Allison Breedlove, Aaron E. Lindley and others are stockholders of a new bank starting here.
- .. Muncie Muncie capitalists will establish a savings bank.
 - .. Summitville ... New bank to be established.
- KAN....** Erie Bank of Erie; capital, \$8,000. W. W. Work, Cashier.
- .. Sylvan Grove... German-American Bank; capital, \$5,900. Directors: C. Kruss, M. E. Wunderlich, R. Wohler, L. F. Havens, J. O. Phillips.
- MA....** Bangor..... Herbert A. Fogg and Linwood C. Tyler are starting a new banking concern.
- MD....** Brunswick..... A savings bank has been incorporated here.
- .. Crisfield..... Savings Bank of Crisfield; capital, \$25,000. Clarence Hodson, President; John P. Taner, L. E. P. Dennis, Vice-Presidents; John Sterling, Cashier.
 - .. Cumberland... Sub-Treasurer Wellington is at the head of the German National Bank to be established soon.
- MICH...** Ithaca Ithaca State and Savings Bank; capital, \$25,000.
- .. Otsego..... First State Bank. Chas. J. Monroe, President; H. W. Williams, Vice-President; L. S. Monroe, Cashier.
 - .. Tecumseh..... Joseph H. Smith is organizing a bank here.
- MINN...** Duluth C. S. Sargent, banker and broker.
- MO....** Clayton Mr. J. B. Greensfelder is organizing a trust company with a capital stock of \$400,000.
- .. Fairfax..... Exchange Bank of Fairfax; capital, \$15,000. Incorporators: W. M. Holloway, J. R. Short, A. G. Noble and others.
 - .. Kansas City ... James Street Bank of Deposit and Savings; capital, \$25,000. R. M. Snyder, President; J. W. Jones, Cashier.
- NEB....** Beatrice..... Farmers and Merchants State Bank; capital, \$100,000. W. P. Norcross, President; Milo Baker, Vice-President; Eugene Wheelock, Cashier.
- .. Grafton Grafton will have a new bank soon.
 - .. Ithaca New bank will be started soon.
 - .. Murray..... Bank of Murray; capital, \$20,000. Jacob Good, President; R. E. Countryman, Vice-President; E. F. Good, Cashier.
 - .. Omaha..... Farmers and Merchants State Bank; capital, \$100,000.
 - .. Winside..... Wayne County Bank; capital, \$20,000. J. W. Thomas, President; John Elliott, Vice-President; H. A. Smith, Cashier.
- N. H...** Penacook National bank to be established.
- N. J....** Camden Security Trust and Safe Deposit Co.
- .. Montclair.... Montclair Savings Bank. Incorporators: Jasper R. Rand, Jas. R. Livermore, Wm. H. Ketchum, Wm. Y. Bogle, J. Seymour Crane, Philip Doremus, Edw'd Madison and others.
- N. Y...** Dolgeville Mr. Potter, of firm of Potter & Marsden, bankers, Cleveland, N. Y., will open a bank at Dolgeville.
- .. Dryden..... Mr. T. C. Gage, of Cortland, is starting a bank at Dryden.
 - .. Falconer..... Chas. M. Dow and J. T. Larmouth are establishing a bank here.
 - .. Highland..... A. J. Abrams is organizing a State bank.
 - .. Newburgh..... Columbus Trust Co. Corporators: Benj. B. Odell, Jos. Van Cleft, P. M. Barclay and others.
 - .. Saranac Lake.. Mr. Lohmas, of Saratoga, is interested in the new bank starting here.
 - .. Syracuse..... New York Savings and Loan Association. Directors: W. V. Ranger, H. A. Dygert, A. F. Stinard, F. R. Putnam, H. F. King, C. S. Roberts, Geo. D. Gunn, W. A. Beach, B. W. Roscoe.
 - .. Williamsville.. L. F. W. Arend is one of the promoters of a new bank started.
- OHIO...** Cleveland..... Northern Loan and Trust Co.; capital, \$100,000.
- .. Cuyahoga..... Cuyahoga National Bank to be organized.
 - .. Cuyahoga Falls. City-Auditor Bangs will be cashier of a new bank established.

- OHIO...Painesville.....Dollar Savings Bank. J. J. Harrison, President; W. F. Smith, Secretary and Treasurer.
- ..Summerfield...New bank to be started.
- OKL. T. MulhallNew bank to be opened.
- PA.... Erie.....W. D. Van Horn, cashier of Wellsboro National Bank, Wellsboro, is starting a bank at Erie.
- S. C....Columbia.....Union Bank of South Carolina and London; capital, \$5,000,000. Col. S. A. Pearce and Mr. Gunn organizers.
- TEXAS..Barstow.....New bank started.
- ..Wharton.....New National Bank; capital, \$50,000. Incorporators: R. E. Vinyard, Thomas Brooks, R. B. Huston, A. H. Dawdy, Dr. J. T. Bolton, Geo. L. Rust.
 - ..Whitewright...W. B. Womack & Son, bankers.
- VA.....Portsmouth...Peoples Bank; capital, \$55,000.
- W. VA..Davis.....National Bank of Davis; capital, \$50,000. T. B. Davis, President.
- WASH..Bridgeport....New bank started. Apply to Mr. Chas. Liftchild.
- ..Tacoma.....Scandinavian-American Bank; capital, \$100,000. Peter Musser, Muscatine, Ia.; O. O. Searle, St. Paul, Minn.; A. E. Johnson, Chicago, Ill.; Arthur Ledem, New York City, and others are incorporators.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from December No., page 479.)

- NEW YORK CITY.....J. & J. Stuart & Co. retiring from business.
- COL....Del Norte.....First National Bank reported suspended.
- GA.....Macon.....I. C. Plant & Sons now I. C. Plant's Son.
- ILL.....El Paso.....National Bank of El Paso, title changed to First National Bank.
- IOWA...CarrollCitizens State Bank merged into First National Bank.
- ..Goodell.....Merchants & Farmers Bank (F. E. Brooks & Co.) now F. E. Brooks, proprietor.
 - ..SalixJ. C. Currier & Sons succeeded by Salix State B'k, incorporated.
- KAN....Haddam.....Western Exchange Bank sold out to Citizens State Bank.
- ..NewtonNewton National Bank reported closed.
- MINN..Wadena.....Wadena Exchange Bank succeeded by First National Bank.
- NEB....Lincoln.....State National Bank has gone into voluntary liquidation.
- N. C. ..Washington...C. M. Brown succeeded by Beaufort Co. Bank.
- OHIO...BatesvilleFirst National Bank has gone into voluntary liquidation.
- ..Yellow Springs.Citizens Bank now Citizens Bank Co., incorporated.
- TEXAS..San Antonio...Thornton, Wright & Co. retiring from business.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from December No., page 478.)

No.	Name and Place.	President.	Cashier.	Capital.
4820	Crete National Bank	John R. Johnston, Crete, Neb.	Frank H. Connor,	\$50,000
4821	First National Bank	W. R. Baumbach, Wadena, Minn.	C. W. Baumbach,	50,000
4822	Citizens National Bank.	William Gamble, Miamisburg, O.	Chas. L. Hardman,	100,000
4823	National Bank of Corry	Manley Crosby, Corry, Pa.	Lew E. Darrow,	50,000
4824	First National Bank	William Harker, Sanborn, Ia.	J. H. Daly,	50,000
4825	First National Bank	M. B. Wilson, Gas City, Ind.	C. E. Pritchard,	50,000
4826	First National Bank	William Noecker, Monticello, Ill.	O. W. Moore,	100,000
4827	Idaho National Bank	John M. Bennett, Pocatello, Idaho.	Arthur L. Kempland,	50,000
4828	National Bank of Davis	T. B. Davis, Davis, W. Va.		50,000
4829	First National Bank.	William M. Camp, Bement, Ill.	Harry S. Bower,	50,000
4830	First National Bank	J. T. Allison, El Reno, Okl.	B. F. Still,	50,000
4831	First National Bank	F. H. Wellcome, Appleton, Minn.	Lewis B. Tadsen,	50,000
4832	Philipsburg National Bank	Wm. P. Duncan, Philipsburg, Pa.	O. Perry Jones,	50,000

DEATHS.

CASSARD.—On December 13, aged seventy years, THOMAS CASSARD, Vice-President of Citizens National Bank, Baltimore, Md.

DRAKE.—On December 28, aged seventy-eight years, FRANKLIN N. DRAKE, President of First National Bank, Corning, N. Y.

KINGSBURY.—On December 9, aged seventy-eight years, L. H. KINGSBURY, President of Dedham National Bank, Dedham, Mass.

VAN ZILE.—On December 18, aged fifty-nine years, O. E. VAN ZILE, Cashier of Troy City National Bank, Troy, N. Y.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, DECEMBER, 1892.

Openings, Highest, Lowest and Closing Prices of Stocks and Bonds in December.							RAILROAD STOCKS.				MISCELLANEOUS.				
GOVERNMENTS.			Interest Periods.	Open- ing.	High- est.	Low- est.	Close- ing.	RAILROAD STOCKS.				MISCELLANEOUS.			
U. S.	1007	reg.	Mar.	100	113	112	100	Col. Coal & Iron	41	42	38	—	—	Northern Pacific	17
	1007	reg.		113	113	113	113	Col. H. Valley & Tol.	27	30	27	—	—	Do	40
	1007	comp.	Jan.	114	114	113	114	Del. & Hudson	130	134	127	134	134	Ohio & Mississippi	50
	1007	reg.		114	114	114	114	Del. & W.	151	155	147	154	154	Ohio Southern	53
	1007	reg.	Feb.	105	105	105	105	Den. & Rio Grande	53	53	53	53	53	Oregon Imp.	19
	1007	reg.		105	105	105	105	Do	4	4	4	4	4	Oregon R. & N.	72
	1007	reg.	Jan. & July.	107	107	107	107	East Tenn. V & G.	9	9	9	9	9	Oregon Short Line	22
	1007	reg.		107	107	107	107	Do	21	21	21	21	21	Pacific Mail	28
	1007	reg.	Feb.	109	109	109	109	Do	21	21	21	21	21	Florida, Decatur & Evansville	25
	1007	reg.		109	109	109	109	Evansville & T. H.	9	9	9	9	9	Philadelpha & Reading	16
U. S.	1007	reg.	Jan.	111	111	111	111	Illinois Central	22	22	22	22	22	Pullman Palace Car Co.	56
	1007	reg.		111	111	111	111	Lake Erie and Western	109	109	109	109	109	Rich. & W. P. Term.	198
	1007	reg.	July.	112	112	111	111	Do	109	109	109	109	109	Rome, W. & Ogd.	9
	1007	reg.		112	112	111	111	Lake Shore	120	120	120	120	120	St. Louis, A. & T. H.	11
	1007	reg.	Jan.	114	114	114	114	Long Island	103	104	106	105	105	Do	33
	1007	reg.		114	114	114	114	Louisville and N. Alb.	70	71	69	69	69	Do	—
	1007	reg.	Feb.	114	114	114	114	Louisville, N. Alb. & Chic.	24	25	23	23	23	St. Louis & San Francisco	—
	1007	reg.		114	114	114	114	Manhattan Consol.	128	128	128	128	128	Do	—
	1007	reg.	Jan.	128	128	128	128	Mexican Central	128	128	128	128	128	Do	—
	1007	reg.		128	128	128	128	Michigan Central	107	107	102	104	104	St. Paul & Duluth	41
U. S.	1007	reg.	Jan.	107	107	107	107	Do	107	107	107	107	107	Do	103
	1007	reg.		107	107	107	107	Min. L. S. & W.	107	107	102	104	104	St. Paul, M. & M.	112
	1007	reg.	Feb.	107	107	107	107	Do	107	107	102	104	104	Southern Pacific Co.	35
	1007	reg.		107	107	107	107	Mo., Kan. & Texas	19	15	43	17	17	Sugar Refineries	101
	1007	reg.	Jan.	107	107	107	107	Missouri Pacific	40	40	13	10	10	Texas & Pacific	9
	1007	reg.		107	107	107	107	Naah. C. & St. L.	14	14	13	10	10	Union Pacific	35
	1007	reg.	Feb.	107	107	107	107	N. Y. C. & St. L.	86	86	83	57	57	Wabash, St. Louis & Pacific	11
	1007	reg.		107	107	107	107	N. Y. C. & Hudson	86	86	83	57	57	Do	24
	1007	reg.	Jan.	107	107	107	107	Do	107	107	107	107	107	Wisconsin Central	15
	1007	reg.		107	107	107	107	N. Y. C. & St. L.	107	107	107	107	107	Do	14
U. S.	1007	reg.	Jan.	107	107	107	107	Do	107	107	107	107	107	MISCELLANEOUS—	—
	1007	reg.		107	107	107	107	N. Y. L. E. & W.	79	75	75	—	—	Am. Cotton Oil Trust	39
	1007	reg.	Feb.	107	107	107	107	Do	79	75	75	—	—	Nat. Coal Trust	51
	1007	reg.		107	107	107	107	N. Y. & New Eng.	24	24	23	24	24	Tenn. Coal & Iron	37
	1007	reg.	Jan.	107	107	107	107	Do	24	24	23	24	24	Express—Adams	153
	1007	reg.		107	107	107	107	N. Y. & Ont. & W.	40	39	39	43	43	American	123
	1007	reg.	Feb.	107	107	107	107	N. Y. Sus. & W.	18	18	17	18	18	United States	61
	1007	reg.		107	107	107	107	Do	17	17	15	18	18	Wells-Fargo	57
	1007	reg.	Jan.	107	107	107	107	Norfolk & Western	67	70	64	70	70	Western Union	147
	1007	reg.		107	107	107	107	Do	67	70	64	70	70	Wheel, & Lake E.	85
U. S.	1007	reg.	Jan.	107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.		107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.	Feb.	107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.		107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.	Jan.	107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.		107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.	Feb.	107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.		107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.	Jan.	107	107	107	107	Do	67	70	64	70	70	Do	20
	1007	reg.		107	107	107	107	Do	67	70	64	70	70	Do	20

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

FEBRUARY, 1893.

No. 8.

THE BANKING PRINCIPLE *versus* THE CURRENCY
PRINCIPLE.

These are the two leading principles on which bank circulation has long been founded. The first assumes that the circulation issued by banking institutions will accommodate itself to business; that no more will be permanently issued than is required. If a surplus has been put into circulation it will be returned to the issuers by the operations of trade; by no known method can an excess be long maintained. It is, therefore, in theory a self-regulating or automatic currency.

This principle can be better understood, perhaps, by adding one or two illustrations. A manufacturer desires \$10,000 for the purpose of paying for the raw materials used in the manufacture of goods. He goes to a bank and obtains this amount, the bank paying him in its own circulation. The sum is borrowed in the ordinary manner, and which is paid to his debtors. They in due time transfer it to others, and thus it is transferred from one person to another until it is finally returned to him in payment of his goods. He then returns the circulation thus received in payment of his note after it has gone around the circle described. Another illustration may be given. A merchant goes to a bank and borrows \$10,000 for the payment of goods purchased by him. This money passes through several hands and is finally obtained by him when the goods are sold, and which is taken to the bank to

liquidate his debt. It would have been possible to have performed the operations in which this money was used without it, or with a small amount, by the offsetting of the debts owed by the intermediate parties at different times, but this would have been a clumsy process. The notes thus received from the bank facilitated these operations, but they could have been effected without them. It thus performs a highly useful service, and which has been likened by some writer to the discovery of letters.

Bank currency thus resting for its redemption on the capital of a bank, and on its discounts, is a very cheap currency to produce. Paper and a printing press are enough. Compare this economy with the extraction of gold from the mines, and one readily comprehends what a costly instrument is gold compared with the other. Gold is the most costly of all instruments used for monetary purposes, and it may be that when civilization attains more nearly to perfection this costly instrument of exchange will no longer be used. Montesquieu describes a people in Northern Africa that used only an ideal money called macutes. Probably they once had a real money, which, for some reason or other, disappeared, and yet they were able by means of this to reckon and continue exchanges as before. Dr. Barth, in his African travels, describes other peoples who had no real money, but only an ideal money with which they reckoned. Compared with this ideal money, gold certainly is a very expensive monetary instrument, and possibly this use of it will disappear. This we do know, that in the exchanges of the world its actual use has been greatly lessened, the larger exchanges are effected by means of representative money, notes issued by banks or governments, and by Clearing House arrangements. The Clearing House method is regarded as the most perfect for making exchanges or discharging indebtedness, and for the reason that only the smallest amount of money is used in order to accomplish this end. A million or two of dollars is sufficient in the New York Clearing House to discharge an indebtedness of one hundred and fifty millions, and in other Clearing Houses the same proportion is maintained.

While the banking principle is perfect in theory, like most other human inventions involving a moral quality, it is very imperfect in application. Those having authority to issue this currency, too often have abused it in order to gain greater wealth. In the olden days, when the banks were permitted to issue such notes, many of them were eager to issue as many as possible, and to keep them in circulation as long as they could. Every known device was practiced to issue as many as possible, except by those banks which were managed in a conservative manner. We are all familiar with the evil consequences of the State bank system of note issues. Too many were issued and the limitations or

restrictions on their authority were either too slight or were neglected or broken down. Thus the system, however perfect in theory, went to pieces because it could not be wisely and honestly executed. Most of the States utterly failed to enact laws that were powerful enough to keep the issues within safe limits.

It was from a similar experience in Great Britain that the currency principle had its origin. Every one finally saw that the first requisite of a note currency was soundness or redeemability. It must be as good as it professed to be; must always be payable as the issuer had promised. Until the National bank system was established our country was strewn with the wrecks of State banks that had issued notes which were never redeemed. The currency principle was designed to cure this evil. The cardinal idea was permanent solvency. Several methods have been adopted for accomplishing this end. The existing system in England, which is founded on the currency principle, embodies the idea that the people need a certain amount of currency in any event, and, therefore, while it must rest on solid foundation of wealth, it is not needful to provide for its immediate redemption. It is enough if this wealth consist of securities which are known to be unquestionable. The quantity issued in excess of this fixed amount is based on a like amount of gold, and therefore has as solid basis of immediate redemption as can be established. The system has one great virtue, the notes are sound; the system has one great fault, the notes are limited and cannot be immediately increased, while there are many occasions when more are greatly needed. The operation of the banking principle is quite the reverse of this; they can be issued as the needs of business may require. Of course, the soundness of a currency must be regarded above all things; but cannot soundness be combined with elasticity? These are the essentials of a perfect currency.

The National bank currency does combine this in a great degree, or, rather, both features existed for several years. No one ever questioned its soundness; on the other hand, it could be increased so long as the bonds which formed the basis bore no premium and could be readily purchased. As the system of banking is free, it is evident that if the bonds had not gone to a large premium our currency would have been essentially perfect, combining both the qualities above mentioned. Under this system the circulation of the banks was without limit and could have been readily accommodated to the business of the country. We cannot conceive of anything better, so long as the National bonds were easily obtainable. The system became defective simply through an accident—the large advance in the price of Government bonds, which led banks to hesitate to purchase them as a basis of bank note issues. They hesitated to do this through fear that the

premiums would decline and that large losses might be sustained, and, in truth, some banks have lost something by the decline in the premium of the bonds purchased. The consequence is that the National bank note circulation has become essentially fixed, not by the operation of law, but by the large advance in the price of the bonds forming its basis. Of course, the system was faulty in another respect, namely, that it could endure no longer than during the life of the bonds; but it is by no means certain that a considerable portion of the National debt will not last for many years. Unless the expenditures of the Government are reduced, or new taxation is imposed, the National indebtedness will essentially be perpetual, and, therefore, there is not much truth in the discussions that the system must soon come to an end from a lack of bonds on which a bank note circulation can be based.

Instead of destroying the system entirely, in the event of the redemption of the National bonds, why could not a much sounder system be established by replacing the Government bonds by others which might be designated by law or by proper authority? We have already had the experience of State officers in conducting such a system. In most cases they were inefficient, and the systems failed. Why not, therefore, whenever Government bonds shall be redeemed, replace them by others as above mentioned and let the Government be responsible for the issues, and thus practically continue the same circulation, which all admit is the best the country has ever had? If the Government bonds were replaced by a considerable list of good bonds which are readily obtainable, the currency would be elastic and sound, and thus combine the two most desirable qualities which a circulation should possess. Of course, it may be objected that such a system of banking would not be constitutional, but if there be anything in this objection, why not amend the constitution and try this experiment? Would not this be much safer than to renew the experiments of State issues? As we have already said in a previous number, some of the States would doubtless establish good laws and enforce them honestly and efficiently, but nothing is more certain than that some of the States would enact laws of a very different character and neglect to enforce them, and thus the people would suffer. What is worse, the poorer people, who would know less about this circulation and be less able to discriminate between sound issues and those less valuable, are the persons who would suffer most under such a state of things. That is precisely what happened when the old system of State bank issues existed.

One more reflection. There are those who believe that all money, of whatever kind, should be issued by the nation, and not by the banks, and this opinion is growing everywhere. It is said that the banks should confine themselves to their own proper

business, and that the function of issuing money is not one of these. On the other hand, the limits of the State should be as carefully guarded, and while its proper function is to issue money, it has no right to engage in any form of banking. These two functions are clearly distinct, and much may be said in favor of confining the issues of money, of whatever kind, to the State. Possibly it may be said that bank note issues are not to be regarded as money, but simply as an agency for exchanging commodities, but this does not hardly agree with the popular use of the term. Mr. Horace White, in his interesting and valuable paper, published in the present number, returns to the old safety fund principle, established by the State of New York, and insists that if banks contribute a sum for the redemption of bills of broken banks probably this would be quite enough to secure all the holders of them. The New York system broke down because the banks attempted to secure all classes of creditors, as well as note holders. The original fund, in the crash of '37, was more than sufficient to have paid all the note holders, and he therefore contends, from that experience, that it would be a safe experiment to try once more. This portion of his paper is very suggestive, and it may be added that his views on this subject are in accord with those of Mr. Knox, who gave the subject a great deal of study. Perhaps there is enough merit in a safety fund system to warrant a thorough discussion of it, though there are difficulties in the way of its adoption now which did not exist before. These have been well stated by the New York *Daily Commercial Bulletin*, and will be found in another place in the present number.

A National Bank May Be Garnisheed.—The Federal statutes provide that no attachment can be issued against a National bank or its property before final judgment in any suit in a State court. This statute has been interpreted on several occasions and its meaning is now well understood, but it has not been determined until recently whether a National bank is subject to a garnishee or trustee process. This question has been decided by Judge Adams, of Illinois. He has decided that a bank must answer the interrogatories relating to the property of the person sued in such a process. The reason for the decision seems to be that the property of the bank is not concerned in any way, but only that of some person who may have property in the bank, and, therefore, the statute exempting a bank from attachment before final judgment does not apply. Probably the question will be carried further.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL SITUATION.

The first month of the new year has come and gone with few important developments in the business situation, as was the case during the last month of the old year. The chief and most significant change from the old to the new, was in the gradual improvement of business, incident to the commencement of new enterprises, as the closing up of old ones caused a temporary cessation of activity in some branches of business. This annual balance sheet has now been made out and has shown a very handsome credit to the account of the old year. That balance has already begun to move into new channels of investment and industry; and, the pulse of the business world beats more rapidly and strongly in both financial and commercial circles. This is true in face of the "silver danger," over which the organs of a single standard have been doing their best to frighten business men and capitalists from engaging in new enterprises. That there is danger; and that it has deterred the investment of capital and the placing of new industries is no doubt true. But there is such a thing as necessary warning as well as exaggeration of danger; and, the favorable conditions of business, are the verdict of the community that the howl of the press is regarded as exaggeration.

THE GOLD AND SILVER SCARE.

No doubt the repeal of the Sherman Silver Coinage law would lift a great incubus from both finance and trade. The neglect of Congress to urge the repeal of this piece of legislation, is due to the fear that the popularity of the Free Coinage law has not yet subsided. Were this bugbear of the single standard organs removed, it would no doubt stimulate business more than any other influence. As it is, they claim we have only about \$10,000,000 free gold above the \$100,000,000 held by the Treasury to redeem the greenback circulation; and, that at the rate of gold exports for the past month, it will only require another month to exhaust that surplus, "after which, the deluge," in shape of "a Treasury deficit," "an issue of Government bonds," or some other terrible thing or heroic remedy therefor.

Yet, in the face of all this hue and cry, general business has improved the past month, notwithstanding the other and next most serious drawback to new enterprises, that will be effected by the tariff legislation of the next Congress. That the uncertainty of the future is greatly increased by these two impending questions is beyond controversy; and were it not for them, the

country would undoubtedly now be enjoying one of those "booms" that come about once every decade. As it is, the momentum of the enormous volume of last year's business, caused directly and solely by the enormous crops and export demand of 1891-1892, is still carrying this country along on the wave of that prosperity, to which has been added the stimulus of very high prices for the shorter crops of 1892, excepting only breadstuffs, of which wheat and flour alone are low. That this additional impetus to trade will be sufficient, together with that of the World's Fair, to carry the country through another year of prosperity at least, is almost beyond the range of impossibilities, except in case of cholera or other national calamity.

THE CONFIDENCE OF BUSINESS MEN,

it will therefore be seen, is not ill founded, despite all the artificial drawbacks, which have been magnified, for the reason that they are overwhelmingly offset by unusual natural conditions favorable to continued activity in trade and to a more profitable return than last year upon a volume of business nearly, if not quite as large. There can be no mistake in this forecast of the business of the coming year, unless the above conditions shall be reversed by bad crops and high cost of living to the consumer or low prices and loss to the producer and a poor export demand, which might bring on a money crisis, by exports of gold instead of our crops to pay our indebtedness to foreign countries. The chances, however, are in our favor, on the general business of the country, although some industries may have a bad year, as is always the case in the most prosperous times. As for danger to business interests from a revision of the tariff, there is, perhaps, less cause for apprehension than from financial legislation; for the reason that party responsibility for the latter is divided by the division in both the great political parties on the Silver question; while the incoming administration and its supporters must take the whole responsibility for changes in the tariff, and will therefore be compelled by party policy to avoid any legislation that will cripple any established industry. That conservatism will guide the coming revision of the tariff is therefore regarded as certain by business men of both parties and in all industries.

EFFECT ON THE STOCK MARKET.

This return of confidence at home and abroad has been seen in the increased activity and strength in the Stock market the past month, the volume of business having been larger than for many months. Foreign buying instead of selling, as for two years past, has been one of the most significant features, in spite of the Silver scare in Europe, following the woeful failure of the "Bime-

tallic" Conference at Brussels, which is chargeable to the new Gladstonian Ministry, which was less favorable to bimetalism than the Salisbury Government. In addition to this new source of demand, the investment inquiry for our better western railway securities has exceeded anything, even on the enormous crop and traffic of last year, especially in the Granger stocks whose lines terminate at Chicago, and which will be most benefited by the World's Fair. To this extent the public has been in Wall Street for the first time in "many days"; and its presence with that of foreign buyers, has given the Stock market a bullish instead of the bearish temper of months past. The movement began in the better dividend Granger dividend payers. But it has extended to the discredited "Industrials" or Trust stocks which the Bears oversold, on the prospects of hostile legislation against them, until their owners were compelled to support them. In this way an enormous short interest has been created in these shares the last two months, which was forced to cover the last two weeks, on the growing strength and activity in the general stock market. But the boom thus created, has been utilized by the insiders to unload a large line of these stocks on the professional speculators, who have bought on the "points" freely distributed, of increased dividends on new combinations or schemes by which something could be made out of nothing, at the expense of the public and for the benefit of the Trusts. Wall Street never fails to raise a perennial crop of these financial "rainbow chasers," on whom the Trust managers can rely to relieve them of anything they do not want themselves—excepting the earth—which they always keep. This is all there is in the "Industrial" stocks boom, while that in investment stock has lulled, since the one started in the Gould stocks, after his death, has been followed by a more or less sharp reaction. Nevertheless, the railroads of the country, generally, are still blocked up with an enormous freight traffic, which they have not enough rolling stock to handle, although the extreme cold weather of January has reduced interior shipments of almost all classes of freight. Fortunately very few roads have suffered from snow blockades and therefore the ratio of expenses to receipts is not so large as usual in severe winter weather.

THE MONEY MARKET

has continued to work easier, the entire month, under the steady increase in supplies of currency, which have been retiring in volume from all sections of the West and South, where collections have been unusually good and the amount of indebtedness to tradesmen reduced to a smaller volume than in years. The South even, has been lifted out of the Slough of Financial Despond, into which it sank last year, under two enormous crops in succession

and the lowest prices on record. "This year," said a gentleman from Austin, Texas, recently in this city, "the planters in our State raised one of the best crops we ever had, with the expectation of five cent cotton, and, they raised the crop on that basis, because the merchants would not advance them any more. When cotton went up to eight cents, therefore, it brought millions more money into the State than was expected, or than the planters owed. Hence, they are in a better position than ever before, as well as the merchants who have got their advances back from the planters, and the latter have plenty of money to spend for the necessities or comforts of life. Trade was therefore never better in our State," concluded he. The same is true of the live stock sections of the West, where hogs and beef, especially the former, have not brought such prices in years. The one low-priced farm product has been wheat, and that has been marketed in larger volume even than last year, which has put a large amount of money in circulation in the West and Northwest. This explains the steady and heavy inflow of currency since the new year, and money has fallen back to mid-summer rates, in spite of the continued free exports of gold, which have had little or no influence on the money market. Time money has been in fair demand, however, at the declining rates and the banks have been steadily accumulating reserves.

THE COLD WEATHER AND THE COAL TRADE.

There is one industry, however, which has found a perfect God-send in this unusual winter weather; but it needed it badly enough; and that was the anthracite coal trade, which, a month ago, was on the verge of a collapse in the combination, to keep up prices, because of a glut in the market and the practical blockade of its chief carrier, the Reading. Now, all this has been changed; prices have gone up to consumers instead of down, stocks have been reduced, mines have been started up, and general activity in both mining transportation and sale of coal has taken place of the stagnation of a month ago. Such a lift has not been given the coal trade in years, or since the old-fashioned New England winters went out of fashion some dozen years ago. It may, therefore, be sufficient to brace up and hold the combination together, and to keep up prices, both of which seemed in danger a month ago. Yet, the cost of transportation and of mining during such cold weather has been increased as much or more than the price; and the gain has been chiefly in working off the accumulations of stock, which, in the case of the Reading, were enormous at the beginning of the month; and, hence it has been able to profit more by this increased demand and price than most of the competitors. The bituminous producers have also

profited, though not so much as the anthracite, because domestic or household consumption is supplied by the latter, yet both have had all they could do to supply the extraordinary demand. The effort to form a combination or agreement among the bituminous companies has been progressing, but has not yet been accomplished. There has been little change or activity in the iron trade, however, and little of interest has transpired in that industry during the month.

THE GRAIN MARKETS

have undergone some change for the better since the new year, owing to the weather chiefly, which has been so severe in this country and in Europe as to cause apprehensions for the growing crop of winter wheat in France and in the southern half of our own winter wheat belt, both of which sections have been partially unprotected by snow. The same cause checked the heavy movement of wheat from our spring wheat belt; and, by the aid of a Bull clique, formed in Chicago, some time ago, to "bull" wheat, on the low price, there has been quite a sharp advance during the month, although the enormous, visible supply of eighty-two million bushels in this country and Canada has continued to increase, instead of beginning to decrease, as usual after the new year, if not after the close of inland navigation, which was delayed into December this winter, by the wild weather of that month. At the same time, stocks in Great Britain began to show a marked decrease with the incoming year, and the speculation in wheat became quite bullish on the other side as well as here, Continental markets following Liverpool and Paris on the report of French crop damage. But milder weather in Europe and here toward the close of the month dissipated these fears, for no damage had really been done there or here by frost. With this came a reaction, and a considerable part of the grain has since been lost, though export demand has begun to increase since the ice blockade in our Atlantic ports has broken enough to allow the movement and loading of vessels, which was for a time almost suspended. This will give us a poor showing in exports for January compared with preceding months, although the Gulf ports have made up in part the loss from Atlantic shipping points, as a larger proportion of our grain exports than usual, have gone by the former routes this winter, notwithstanding the difficulty in getting cars down the Mississippi River roads. Flour has, of course, sympathized with wheat on the advance, but only partially on the decline, as it has been selling at the lowest prices on record for the past three months; and, so much below its relative value compared with other food products, as to greatly increase its consumption at home and abroad, and to increase the demand from

Europe materially the past month for forward shipment. Other grains have sympathized with wheat, corn in particular, in which Deacon White has taken a hand again for another Bull movement, since he paid up in full, on the first of the new year, his losses on his old Field, Lindley Corn Deal of two years ago when he was believed to have been sold out.

THE PROVISION MARKETS,

however, have continued to lead the Bull procession since the new year, as they did all last fall, and until there was a veritable Bear panic in these markets the latter part of December and into January. Then nearly all the big packers and European shipping houses who had been on the wrong side from \$11 to \$12 for pork, $6\frac{1}{4}$ to $6\frac{1}{2}$ cents for lard and $5\frac{1}{2}$ cents for short ribs, up to \$19, 11 cents and 10 cents, respectively, gave up the fight and came in and covered at enormous losses and took the Bull side. This condition of affairs has been used by the successful Bull clique in provisions, headed by Cudahy of Chicago, who have made millions out of their foresight. But stocks of hog products are still the smallest ever known at this season of the year, and practically exhausted, so far as cured meats and lard are concerned, the supply of which is scarcely equal to home demand, notwithstanding export business has almost ceased at this enormous advance in prices, except of purchases made on the advance at much lower prices. Home consumption has also been greatly curtailed, and yet prices continue to advance on this unparalleled scarcity, although many believe that the summer supply of hogs will be up to an average, and that prices must go back so soon as farmers begin to market their hogs more freely.

Beef products have sympathized for the same reason, though only partially and later, and high prices for meats of both kinds are still booked for the next few months, and probably for several months in beef, which does not feel the effect of a short crop so soon as hogs, but feels it longer.

THE COTTON BOOM,

however, has suffered a collapse the past month as it was carried beyond reason last autumn, in face of large stocks carried over from last year, and of the Lancashire strike or lockout in England, and of the depressed condition of the cotton industry in Europe, and especially in Great Britain. The reaction, however, has been in no proportion to the enormous advance, and the South is still getting good prices for its crop and prosperity is returning to that section of the country if it is not staying with the speculators on the Cotton Exchange who made so much money on the rise last fall.

Outside of these great speculative markets there has been little

of interest and no important changes in the other staples of production. The dry goods trade has continued in good shape and active for the season of the year, considering the terrible winter weather, and its prospects are good for another year.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

State Banks.—One of the most valuable and interesting features of the last report of the Comptroller of the Currency is devoted to the State banks, their number, capital, etc. The Comptroller remarks that in 1792 there were in the United States only 12 banks, and their united capital was only \$18,935,000. In the progress of a hundred years the growth of the business is made plain through all its various stages of private, State and National banking systems, until it appears that in the year of 1892 there were 9,340 banks in the United States, and their combined capital was \$1,071,073,048. The sum given as the capital of the banks in 1792, which, comparatively, is so small, included the \$10,000,000 capital of the old United States Bank. There are, at the present time, in the United States 3,191 State banks, not including savings banks and Trust Companies or Loan Associations. The number of State banks has more than doubled in the last five years, and in the last twenty years they have increased nearly 140 per cent., while the gain of National banks has been barely 20 per cent. The loan and discount business of these State banks now represents the vast sum of over \$700,000,000 annually. The locality whence came the most active work in favor of the repeal of the ten per cent. tax is that in which the great majority of these State banks are situated, that is, one-half in the Western States, and a large percentage of the remainder in the South and Southwest. The exact figures are 434 in the Pacific States and Territories; 1,836 in the States between the Rockies and the Ohio River; 574 in the Southern States, and only 320 in all the New England and Middle States. In addition to the regular State banks, the savings institutions and private banking concerns bring the total number of that class of financial institutions, outside the National banks, up to nearly 5,000, representing over \$500,000,000 of capital. When these enormous figures are considered, and it is further considered that this \$500,000,000 is the property of active, energetic, business men, then it will be understood how it came about that the "Wild-cat Bank" became such a factor in the recent campaign in the South and West, and is likely to be an active element in the legislation of the ensuing four years. But no one should for a moment believe that these numerous State banks and

their phenomenal increase indicates in the slightest degree a lessening of confidence in the National banks. On the contrary, it is to be fairly deduced from the Comptroller's report that the public has the utmost confidence in these institutions, for while their aggregate capital only reaches \$686,573,015, the deposits of citizens of the United States amount to the vast sum of \$1,765,422,983. This is nearly three times the capital, while the deposits in all the State and private banks, savings banks and Loan and Trust Companies only exceed the capital by about a million and a half, and if the tax now imposed on State banks is removed the country will see that within ten years even this surplus will disappear, because, with the limitation removed, no sane man doubts that scores of so-called banks will start up all over the country, promise large interest to depositors, get in a fairly large boodle, and then collapse, the result being that in a very brief time the application of the old adage, "A burned child dreads the fire," will be seen, and the public will look with distrust on *all* State banks, the consequence being increased business for the National banks; so that while, for a time, the repeal of the present tax might work to the disadvantage of the National banks, in the end it would prove of benefit to those institutions.

Percentage of Silver Money.—In the following table will be found the total amount of money in the country, the amount of silver money exclusive of subsidiary silver, and the proportion of silver to the total on July 1 of each year since 1878, and on December 1, 1892.

<i>July 1.</i>	<i>Total supply of money.</i>	<i>Silver.</i>	<i>Per cent. of silver.</i>
1879.....	\$1,033,640,891	\$41,276,356	4.0
1880.....	1,185,550,327	69,660,408	5.9
1881.....	1,349,592,373	95,297,083	7.1
1882.....	1,408,397,889	122,788,544	8.8
1883.....	1,472,494,345	152,047,685	10.3
1884.....	1,487,249,838	180,306,614	12.1
1885.....	1,537,433,550	208,538,907	13.5
1886.....	1,561,407,774	237,191,906	15.2
1887.....	1,633,412,705	277,445,767	17.0
1888.....	1,691,441,027	310,166,459	18.3
1889.....	1,658,672,413	343,947,093	20.7
1890.....	1,685,123,429	380,083,304	22.5
1891.....	1,677,794,044	438,753,502	26.2
1892.....	1,750,979,429	490,657,886	28.0
1892 *.....	1,765,860,295	510,122,762	28.9

* December 1.

The proportion of silver to our total supply of money has increased from 4 per cent. on July 1, 1879, to 28.9 per cent. on December 1, 1892, from \$41,000,000 to \$510,000,000. Practically the entire increase in our currency since 1881 has been in silver, for, while the total supply shows an increase of \$416,000,000, about \$415,000,000 is in silver. Since 1887 there has been an increase in

our silver money of \$232,000,000, and of only \$132,000,000 in the total supply, showing a loss of \$100,000,000 in other kinds of money. Since July 1, 1890, there has been an increase of \$130,000,000 in silver and a decrease of \$50,000,000 in other kinds of money, making an increase of \$80,000,000 in the total supply. In two years and five months since July 1, 1890, just before the new silver law was passed, the ratio of silver to the total supply has been increased nearly $6\frac{1}{2}$ per cent. The silver lining to the currency garment is assuming a prominence that must force recognition speedily.

Gold Holdings of Bank of France.—The Bank of France has been the principal accumulator of the \$140,000,000 of gold which have been shipped from the United States during the past two years. The comparison of the gold holdings of the Bank of England, the Bank of France and the Bank of Germany on January 5, 1892, with those of January 7, 1893, is as follows:

	1892.	1893.
Bank of England.....	\$112,000,000	\$122,000,000
Bank of France.....	268,000,000	341,000,000
Bank of Germany.	171,000,000	161,000,000

The moderate increase of \$10,000,000 in gold holdings at London is offset by an equal decrease at Berlin. It is at Paris that the gold has increased to the sum of \$73,000,000—within a few millions of the amount shipped during the past year from the United States. How the Bank of France has strengthened its gold reserves during the past few years is shown by these comparative figures of its holdings:

January 10, 1889.....	\$200,000,000
January 9, 1890.....	246,000,000
January 8, 1891.....	224,000,000
January 7, 1892.....	268,000,000
January 5, 1893.....	341,000,000

Austro-Hungary's policy of resuming gold payments on January 1, 1893, has been largely responsible for the accumulation of gold at Paris. Fear of demands for the metal from Vienna induced this policy, and the Baring collapse and recent monetary uncertainties contributed. Now that the Austro-Hungarian financial crisis is past and the demand from Vienna has not materialized, the Bank of France will probably find itself worth more gold than it cares to retain.

Reduced Production of Silver.—A large falling off in the production of silver is expected from the silver States for 1892. The product of Idaho, it is supposed, will be reduced one-half, and reports from other States lead to the belief that the product for the entire United States during the calendar year 1892 will be at least eight million ounces less than the figures for 1891, which were 58,330,000

ounces of fine silver. The figures thus far given are merely estimates, but there is no doubt of a considerable reduction. If there is no other way of solving the silver question the diminished production of the metal will solve it. This is the hard remedy applied to adjust supply and demand in the ordinary operations of commerce. Only the best minds can endure a large decrease in the value of silver. Of course, the closing of the mines means a heavy loss to the owners, unless a new mode can be adopted for continuing the use of silver as money. If the present silver law is repealed many more mines will be closed. The coming months, therefore, are momentous for the silver mine owners.

Issue of Gold Bonds to Replenish the Treasury.—It has been asserted that Secretary Foster was desirous of issuing gold bonds with which to replenish the Treasury, but President Harrison opposed his wish. If there was anything in this report we cannot help thinking that the country was on the side of the President in putting a stop to this experiment. For, if gold is needed for foreign uses it can easily enough be had whether it is in possession of the banks or of the Treasury, and the mere transfer of it from the one place to the other will not prevent its outflow to European countries. All the gold here must be regarded as a common fund which others can obtain if they are willing to pay enough for it. It is only a question of price. Europe holds enough of securities, of one kind and another, to drain away every dollar of gold. If, on the other hand, we desire to retain our gold more than foreigners do to get possession of it, then it is quite evident that we must resort to a stronger measure than the transfer of gold from the banks to the Government if we intend to keep it. The Government balance, therefore, by the sale of bonds, might indeed be increased for a short time, but only by diminishing the outside balance. Whether we should endure the loss that has taken place with equanimity is another question. Some think this can be done without injury; others entertain a different opinion. One thing is known, at present this is regarded as the best reservoir from which to draw gold supplies for European uses, and as long as this opinion is entertained the depletion of our gold supply will continue until Europe has obtained all that is wanted. There seems to be two reasons for this depletion. One is to obtain a larger stock abroad for monetary uses, especially by Austria; and the other is the sale of securities by investors through fear that they may be compelled to take silver in payment. Doubtless many investors are quite unwilling to part with them and are not cheerful over the prospect of taking silver, which may not be worth more than 30 per cent. of their face value or of the gold equivalent. Altogether the export of gold,

the unsettled value of silver, are causing very serious results, and which will be more pronounced in the future.

The Value of Gold.—In a letter addressed to the London *Economist* the writer asks: "If all countries at once forbid the use of cotton for cloths would not the price of cotton decline?" In like manner, if the principal European countries should cease to coin any gold "there would be no longer a market for it and the price would greatly decline." He is correct in maintaining that if the gold-using countries of the world ceased to use this metal for monetary purposes its value would doubtless greatly decline, just as the value of cotton or wool or any other product would decline in value if it was no longer used. Doubtless the value of silver has greatly declined in consequence of its diminished use as money. Indeed, this is the chief cause which has affected its value of late years. The use of silver in the arts is constantly extending, and, therefore, if it had been used as generally for money as before, its value would have been preserved, notwithstanding the enormous increase of production. But its value is fated chiefly for the reason that the more enlightened nations of the world have outgrown the use of it any longer for money, except for minor coinage. The same fate would happen to gold if it ceased to be used as money. But so long as it is used for other purposes, a portion of its value at least would remain, even if it ceased to be used as money. Perhaps a time will come when the world can dispense with the use of this metal. If, as already remarked, we are finding ways to economize the use of money by establishing Clearing Houses and other arrangements, it may be that, after silver has become completely buried, gold too will share its fate, and the world will then wonder that it toiled so long to acquire either metal for effecting a purpose which might have been effected so easily and cheaply without them.

Taxation of Savings Banks.—These institutions are among the most meritorious which exist in our country, and therefore they, if any, ought to be favored in bearing the burdens of taxation. Unhappily, they are the very ones on which too many legislators are disposed to impose excessive taxation. One of the new schemes in New York is to tax their deposits as personal property, and also to tax the bank on its surplus. Neither of these propositions ought to prevail, because aimed directly at the class which ought, wherever possible, to be prevented from the burdens of taxation. The depositors in savings banks are the children, the women and the men who believe it a safe place to put their earnings, which constitute the little all they are setting aside against a rainy day. The number of depositors as compared with the sum in bank is

very large with these institutions, and the average amount of the deposit is correspondingly small. It is customary to pay from three to four per cent. interest, and, if the deposit is to be taxed, that much must be taken from the income the little sums return to the owners. This they can ill afford to bear. The one per cent. taken from a deposit of \$500 means more to the depositor than the same sum taken from depositors in commercial banks. As a rule, the patrons of savings banks are the poor people of every community.

Nor is the other horn of the dilemma proposed any more attractive. The proposition to tax the surplus would result in the deduction of interest which the bank is able to pay its depositors by the same ratio as the tax levied by the State, or at least by half that ratio, either one of which would be a burden rather to the patrons than to the bank itself. To levy upon it would be to discourage the accumulation of a surplus, and yet a surplus has no other purpose than to make the depositors secure. It is there to provide against any unforeseen contingency which may arise, and to make the bank safe against any mishap. To tax this surplus would so cripple the savings banks as to seriously interfere with their work. In a certain sense a savings bank is a charitable institution. They may make money, it is true, but they afford a place of safe deposit for people of limited means, where their money can be earning them at least a little revenue. To be sure there are a few wealthy patrons of these institutions, but the great majority of depositors are among those dependent upon wages by the day, the week or the month, for an income, and the sums in the bank represent what the strictest economy enables them to save. Savings banks, if possible, are more careful about their investments than the commercial institutions, and every possible safeguard is thrown about them to protect those whose money they have. So far as the law can conscientiously do so, savings banks should be fostered. These institutions are, in many cases, the best friend the poor people have. If a bill is introduced at the coming session to tax either the deposit or the surplus it ought never to be favored with being reported from the committee room. There are other and better ways of increasing the revenues of the State without placing the burden where it will be heaviest and where it will impose a hardship.

Annual Report of the Connecticut Bank Commissioners.—The annual report of the Connecticut Bank Commissioners for the year ending Oct. 1, 1892, has been submitted to Governor Morris. The number of savings banks is eighty-eight, an increase of one since Oct. 1, 1891. The new bank is the Burritt Savings Bank of New Britain. The total number of depositors in all the savings banks

in the State Oct. 1, 1892, was 361,061, the gain for the year being 13,136. The deposits amounted to \$130,686,729, the gain for the year being \$8,104,569.57. The average amount due depositors was \$394.75, being a gain of \$9.18 as compared with Oct. 1, 1891. The largest amount due a single depositor was \$107,528.62. The dividends declared during the year amounted to \$4,918,576.77, the year's increase amounting to \$115,483.37. The amount deposited, including interest accredited during the year, was \$34,719,815.05, and the amount withdrawn aggregated \$26,615,245.48. The office expenses, including salaries, amounted to \$342,873.40. In all the banks the assets yielding no income amounted to only \$407,708.28. There has been no change in the number of the State banks or the amount of their capital during the past year. They show a net increase of surplus of \$72,623.24. The number of trust companies doing a banking business is ten, the same as last year. The Stamford Trust Company has increased its capital stock \$50,000. The ten trust companies show an increase of surplus of \$63,802.35. There are ten investment companies transacting business under Connecticut charters, or organized under the laws of the State. The capital amounts to \$4,116,170. They have debenture bonds outstanding to the amount of \$3,647,910.30. They report assets to the amount of \$14,703,992.27.

The Georgia Bank Bill.—As much has been said concerning the bill introduced into the Georgia Legislature for establishing a State bank circulation, it may be remarked that it embodies the best features of the Canadian system, with such changes as experience has suggested to meet Canadian defects, and provides a good substitute for the fast disappearing National bank currency. It guards the issues of the banks, first by the requirement that they shall not exceed 75 per cent. of the capital, second by requiring the deposit by the Bank of Georgia State bonds, United States bonds, or Georgia municipal bonds, in an amount equal to the amount of the notes which the bank puts in circulation, and third by making every stockholder liable to an amount equal to his stock for the redemption of the currency. This last provision is additional to what is required of the National banks—the assessment there being only for other debts—and is perhaps made necessary by the fact that the bond security may be inferior to that of the National banks, though not inferior to what that was, measured by the market value, when these were established. It is further required that every one of these new State bank notes shall be at all times redeemable at the will of the holder in "gold, silver or lawful money of the United States." Any failure of a bank to redeem its currency upon demand subjects them to interest at the rate of 24 per cent. per annum for ten days and after that time

throws them into liquidation. Then the State redeems the currency precisely as the United States Treasury does that of a defaulting National bank, from the proceeds of securities which the bank has deposited with the State to secure its circulation. The State, or a commission formed by the bill, is to issue the notes, and the Controller-General is to sign them, by way of giving them the indorsement of the State. The most important element of elasticity is secured by a provision that any bank may at any time surrender a part or the whole of its circulation, or it may surrender 90 per cent. of its notes and deposit funds for the redemption of the remainder, and receive the bonds deposited as security. The limit of expansion is fixed by the security deposited with the Government and the capital of the bank, but the limit of contraction is left for the banks to determine.

The North Carolina Bank Bill.—The following is a synopsis of the bill introduced in the North Carolina Legislature, entitled "An act to authorize State banks to issue notes." It is an open secret that Treasurer Tate drew the bill. It provides that any bank or banking association now chartered, or which may be chartered by the State, and doing business within the State, may issue circulating notes, payable on demand in lawful money of the United States, under the limitations contained in the act, to an amount not exceeding the paid-up cash capital of such bank. To secure the payment of these circulating notes, North Carolina 4 per cent. bonds or 6 per cent. bonds shall be deposited with the State Treasurer in amount equal to the circulating notes to be issued to any such bank. The bonds so deposited shall be held exclusively for the security of the circulating notes until the latter are redeemed; but any bank may return any part of its circulating notes for cancellation and withdraw ratably the deposited collaterals. Upon the deposit being made the State Treasurer will issue the bank circulating notes in blank, registered and countersigned, equal in amount to the par value of bonds deposited. The notes so issued can be then circulated by the banks as money. No bank shall issue post-notes or any other notes to circulate as money, than such as are authorized by this act. The circulating notes shall be printed from plates engraved in the best manner, to guard against counterfeiting, etc., and be in \$1, \$5, \$10, \$20 and \$50, as may be required, and on their face it shall be stated that they are secured by State bonds deposited in the State Treasury. The plates and dies are to remain under the entire control of the State Treasurer. The expenses are to be paid out of the taxes or duties collected on the notes aforesaid. Upon a bank's failure to pay these notes at its place of business, the holder may have the same protested and presented to the State

Treasurer for redemption, and then, after giving notice to such defaulting bank, the Treasurer may advertise that he will sell by public auction so much of the collateral in his hands as is applicable to the payment of such dishonored notes, and out of the proceeds of such sale redeem the same. To further secure the notes, the stockholders of the bank issuing them shall be liable for their payment to an amount equal to their individual stock in such bank, and verified lists of such stockholders shall be furnished in January and July, with the amount of stock each holds. The tax to be paid by the banks upon such circulating notes shall be upon their receipt one-half of one per cent. upon the amount of notes delivered, and then the same tax semi-annually upon the amount of notes outstanding. Neither the State Treasurer nor any one in his office shall own any stock or other interest in any bank issuing such notes.

Banking in North Dakota.—Much valuable information about North Dakota banks and the State banking law is found in Public Examiner Wallace's report to the Governor. The report claims that the law has been of great advantage to North Dakota, having added \$1,000,000 to the State's assessed valuation. The Public Examiner recommends that the minimum capital of the State banks should be increased to \$10,000. It is also recommended that the Public Examiner should be given the same authority over State banks as the Comptroller of the Currency has over National banks, viz., to at once take charge of and appoint a receiver for banks found insolvent. Regarding usury, the Examiner recommends an amendment to the present law, which he says is violated every day. He suggests that the State and National banks should be placed on an equal footing in this matter. It is recommended that the State banks be required to pay a small sum for examination, according to their capital stock, and that an increase of \$2,250 for necessary clerk hire and expenses be allowed by the Legislature.

Economic Publications.—One of the noteworthy movements in economic literature is that conducted by a number of the educational institutions. In the several publications issued by them, economic questions are undergoing a more thorough investigation than ever before. Theoretical discussions occupy a large space, nevertheless; every now and then a paper appears which is the result of an extended and thorough study of economic facts. The latest publication of this kind has just been issued by the University of Chicago, and is entitled, "The Journal of Political Economy." The principal portion consists of four articles. The first is a study of political economy in the United States, by Prof. Laughlin, who is at the head of the economic department of the university.

Another article is contributed by a French author, and relates to the French commercial policy. President Andrews, of Brown University, writes on the Socialism of Rodbertus. The concluding article, by a new author, Mr. T. B. Veblen, relates to the price of wheat since 1867. This is a valuable study. The need of better economic knowledge by the people in general is a very trite remark. Every session of the Legislature and almost every other political movement clearly indicates the general ignorance prevailing on these matters. With respect to taxation, for example, Prof. Laughlin says:

On the practical problems of taxation and public finance, in which European countries have been most interested, the people of the United States have made little progress. It is true that a better quality of writing and thinking has been made accessible to our readers on such subjects; but the dense ignorance of cardinal doctrines of taxation, even among leaders, remains a marked characteristic of the present day. The management of municipal, county and State taxation furnishes many instructive lessons, but chiefly those arising from blunders and mistakes. The so-called "single tax" theory is accepted by a relatively small number of people, and probably has little or no chance of ever coming into use as a practical method of taxation. A belief in the inequality of taxation on personal property is very widespread, but a practical remedy has not yet commended itself to most people. Serious problems of importance remain to be studied out and their results disseminated.

BANK COLLECTIONS.*

[CONTINUED.]

THE LIABILITY OF A BANK FOR THE CONDUCT OF ANOTHER IN MAKING COLLECTIONS.

A long controversy has been waged by the State courts whether a second or sub-collecting bank, appointed by the first, shall be held responsible for its negligence to the owner of the note sent for collection, or whether the first collecting bank shall be held responsible also for the negligence of the second or sub-agent.

In New York, the first bank is responsible for the negligence of the second. Judge Allen thus broadly declares the law: "A bank receiving a bill or promissory note for collection, whether payable at its counter or elsewhere, is liable for any neglect of duty occurring in its collection, by which any of the parties are discharged, whether of the officers and immediate servants or other agents of the bank, or its correspondents or agents employed by other correspondents."† In 1839, the highest court in the State†

* Copyrighted by HOMANS PUBLISHING COMPANY.

† *Ayrault v. Pacific Bank*, 47 N. Y. 570, 573, affg. 6 Robt. 337; *Walker v. Bank*, 9 N. Y. 582; *Commercial Bank v. Union Bank*, 11 N. Y. 203; *Mont-*

rendered this formal determination: "*Resolved*, That when a bank or broker, or other money dealer, receives upon a good consideration a note or bill for collection in the place where such bank, broker or dealer carries on business, or at a distant place, the party receiving the same for collection is liable for the neglect, omission, or other misconduct of the bank or agent to whom the note or bill is sent either in the negotiation, collection, or paying over the money, by which the money is lost or other injury sustained by the owner of the note or bill, unless there be some agreement to the contrary express or implied."

The reasons for the rule, which were given by Senator Verplanck, thirteen Senators concurring, have not been since stated perhaps with greater force: "What, then," inquired the distinguished Senator, "is the ordinary undertaking, contract or agreement of a bank with one of its dealers, in the case of an ordinary deposit of a domestic note or bill, payable in the same town, received for collection? It is a contract made with a corporate body having only a legal existence, and governed by directors who can act only by officers and agents; or if it be with a private banker, he, too, is known to carry on his business by clerks and agents. The contract itself is to perform certain duties necessary for the collection of the paper and the security of the holder. But neither legal construction nor the common understanding of men of business can regard this contract (unless there be some express understanding to that effect), as an appointment of the bank, as an attorney or personal representative of the owner of the paper, authorized to select other agents for the purpose of collecting the note and nothing more. There is a wide difference made as well by positive law, as by the reason of the thing itself, between a contract or undertaking to do a thing, and the delegation of an agent or attorney to procure the doing the same thing—between a contract for building a house (for example), and the appointment of an overseer or superintendent, authorized and undertaking to act for the principal in having a house built. The contractor is bound to answer for any negligence or default in the performance of his contract, although such negligence or default be not his own, but that of some sub-contractor or under workman. Not so the mere representative agent, who discharges his whole duty if he acts with good faith and ordinary diligence in the selection of his materials, the forming his contracts and the choice of his workmen. Now, in the case of a deposit for collection of a domestic note or bill payable in the same town, no one can

gomery Co. Bank v. Albany City Bank, 7 N. Y. 459; *Naser v. First Nat. Bank*, 116 N. Y. 432; *Corn Exchange Bank v. Farmers' Nat. Bank*, 118 N. Y. 443, 447; *St. Nicholas Bank v. State Nat. Bank*, 128 N. Y. 26; *Hoard v. Garner*, 3 Sandf. 179.

† *Allen v. Merchants' Bank*, 22 Wend. 244.

imagine that this, instead of being a contract with the bank to use the proper means for collecting the paper, is a mere delegation of power to act as an attorney for that purpose. If this were so, and it should happen that by the fraud, the carelessness, or the ignorance of a clerk or teller, the only responsible parties were discharged, or the note itself lost or destroyed, it would be a sufficient defense for the bank if it could show that the directors had employed ordinary care and caution in selecting their officers; or any similar defense which would be good in the mouth of an attorney-in-fact, or a steward acting in good faith for his principal, who had been defrauded in any transaction. If such were the understanding of this business, and the merchant had to trust to the responsibility of the teller or clerk through whose hands his paper may pass, and not to that of the bank which employs them, few deposits for collection would be made, and it would soon be found expedient to deal only with banks or bankers who would guarantee their officers. But the natural and general understanding of men of business is surely not this; it is that of an implied agreement with the bank itself, of whose officers and agents they have no knowledge, and with whom they have no privity of contract."

The same rule has been adopted in New Jersey,* Ohio,† Indiana,‡ Michigan,§ Montana,¶ Minnesota,¶ Alabama,** and by the Supreme Court of the United States†† in England. In the case before the highest Federal court a Pittsburgh bank sent to one in New York for collection, drafts drawn on a company in Newark, New Jersey. The New York bank accordingly sent them to a bank in Newark for collection, and which was negligent in performing the service. The Pittsburgh bank having sued its New York correspondent to recover the loss, Judge Blatchford said, in delivering the opinion of the court: "We regard as the proper rule of law applicable to this case that declared in *Van Wart v. Woolley*,|| where the defendants, at Birmingham, received from the plaintiff a bill on London, to procure its acceptance. They forwarded it to their

* *Titus v. Mechanics' Nat. Bank*, 35 N. J. Law 588; *Davey v. Jones*, 42 N. J. Law 28, 31.

† *Reeves v. State Bank*, 8 Ohio St. 465; *Bank v. Butler*, 41 Ohio St. 519; *Young v. Noble*, 2 Disney 485; *Bank v. Moore*, Hamilton Co. Dis. Ct. 4 Bull. 291.

‡ *Tyson v. State Bank*, 6 Blackf. 225.

§ *Simpson v. Waldby*, 63 Mich. 439.

¶ *Power v. First Nat Bank*, 6 Mont. 251.

¶ *Streissguth v. National German-American Bank*, 43 Minn. 50.

** *Branch Bank v. Knox & Co.*, 1 Ala. 148; *Bank v. Huggins*, 3 Ala. 206.

†† *Exchange Nat. Bank v. Third Nat. Bank*, 112 U. S. 276, 290; *Taber v. Perrot*, 2 Gall. 565; *contra Hyde v. First Nat. Bank*, 7 Biss. 156.

|| 3 Barn. & Cres. 439; *Mackersy v. Ramsays*, 9 Clark & Fin. 818.

London banker, and acceptance was refused, but he did not protest it for non-acceptance or give notice of the refusal to accept. Chief Justice Abbott said: 'Upon this state of facts it is evident that the defendants (who cannot be distinguished from, but are answerable for their London correspondent) have been guilty of a neglect of the duty which they owed to the plaintiff, their employer, and from whom they received a pecuniary reward for their services. The plaintiff is, therefore, entitled to maintain his action against them, to the extent of any damage he may have sustained by their neglect.' In that case there was a special pecuniary reward for the service. But upon the principles we have stated, we are of opinion that by the receipt by the defendant of the drafts in the present case for collection, it became, upon general principles of law, and independently of any evidence of usage, or of any express agreement to that effect, liable for a neglect of duty occurring in that collection, from the default of its correspondent in Newark."

On the other hand, in Massachusetts, "when a note is deposited with a bank for collection, which is payable at another place, the whole duty of the bank so receiving the note in the first instance is seasonably to transmit the same to a suitable bank or other agent at the place of payment. And as a part of the same doctrine it is well settled that if the acceptor of a bill or promisor of a note has his residence in another place, it shall be presumed to have been intended and understood between the depositor for collection and the bank, that it was to be transmitted to the place of the residence of the promisor, and the same rule shall then apply as if on the face of the note it was payable at that place." In *Fabens' Case** "it was known at the time of the indorsement of the note that the promisor lived in Philadelphia, and, of course, that the note must be sent there for collection. We are therefore of opinion that the defendants had performed their duty when they transmitted the note to a solvent bank in good standing and were not responsible for the misfeasance or negligence of that bank."†

* *Fabens v. Mercantile Bank*, 23 Pick. 330; *Dorchester & Milton Bank v. New England Bank*, 1 Cush. 177. See, also, *Darling v. Stanwood*, 14 Allen, 504, 507.

† Shaw, C. J., adding that "we cannot perceive that it makes any difference in respect to the defendant's liability that this note was received as collateral security. The general property was still in the plaintiff. It was to be collected for him." (*Warren Bank v. Suffolk Bank*, 10 Cush. 582.) The case of *Bank of Washington v. Triplett*, 1 Pet. 25, was cited to sustain the position of the court, but the United States Supreme Court, in the latest case on the subject, declared that "the question under consideration was not presented, for, although the defendant bank in that case was held to have contracted directly with the holder of the bill to collect it, the negligence alleged was the negligence of its own officers in the place where the bank was situated." (*Exchange Nat. Bank v. Third Nat. Bank*, 112 U. S. 282.)

The reasons for this rule have perhaps never been better stated than by Chancellor Walworth, with whom nine Senators concurred, in the case of *Allen v. Merchants' Bank*.* "It is a general rule of law, that banks and other corporations, as well as individuals, are liable for the acts or omissions of their general officers and servants, in relation to any business intrusted to the corporation or individual to be transacted. But this rule does not apply to a case where, from the nature of the business to be performed, it cannot be done by any of the ordinary officers or servants of the corporation or individual, but must be intrusted to a sub-agent employed for that special purpose; or where by the usages of trade it is customary to employ a special agent for the purpose of transacting the business. Here, from the very nature of the business to be transacted, and from the general usage in such cases, it was necessary to employ a bank or other agent in Philadelphia for the special purpose of negotiating this bill of exchange, and of receiving the payment thereof, if it should be duly honored. *Prima facie*, the risk of the neglect of such foreign bank or other special agent to negotiate the bill properly should be upon the owner of the bill who has impliedly authorized the employment of such special sub-agent. I admit that if it had been the custom of the banks to receive a commission or compensation for the collection of such bills and notes, beyond the difference of exchange between the two places and the actual expenses of negotiation, it might very properly have been considered as in the nature of a *del credere* commission, so as to render such banks legally liable for the loss which might be occasioned by the negligence or misconduct of their corresponding banks or agents. The incidental benefit which the bank in New York might receive, in having the money collected through that institution, from the chance of its remaining there as a deposit for a short time after it was collected, was undoubtedly a sufficient consideration for an implied agreement on the part of the bank, that the bill should not be lost to the plaintiffs by reason of any negligence on the part of the bank, or of its officers or servants. . . . But it certainly would be going very far to say that this mere chance of benefit to the bank was in fact a *del credere* commission, from which an agreement to warrant the plaintiffs against loss from the mistakes and negligence of the corresponding bank or agent could be legally inferred."

The reasoning of Senator Verplanck, adopted by the majority of the Senators, who composed the highest tribunal at that time, did not convince the Supreme Court, for in the case of the *Bank of Orleans v. Smith*,† decided three years afterward, the members

* 22 Wend. 215, 224.

† 3 Hill 560.

clung to the Chancellor's view. In the *Montgomery County Bank case*,* however, a quietus was put on the question, and since that day no Nelson has disturbed his judicial brethren by his strong, though ineffectual, reasoning. But which of these rules has found most favor with the judges of other States? It is true that the Supreme Court of the United States have adopted the New York rule; the judges of the State courts, however, have far more generally favored the rival rule, and this is especially true of the more recent course of judicial decision. In one of the latest cases, Mr. Justice Post, speaking for the Supreme Court of Nebraska,† has remarked: "Whatever may have been the reasons arising out of the business methods existing at the time *Allen v. Bank* was decided for the rule adopted therein, the reason for such a rule is wanting in view of the present changed conditions. Banks, as a general rule, have now no facilities for making collections at distant points, not enjoyed by the business public at large. Formerly they may have enjoyed a monopoly of information relative to location, names and credit of banks at distant or remote points. To-day, however, business men, by means of the information derived from the press and the numerous directories at their command, may collect their bills through the medium of banks at the place of payment as cheaply, safely and expeditiously as their local bank. It is more convenient, and, therefore, more frequent, for customers to deposit drafts and acceptance with their home banks for collection, paying therefor the cost of exchange only. In this case, for instance, the bank not only made the collections for defendant in error without charge, but allowed him to overdraw an account thereof, thus realizing on his paper at once. As said by Chancellor Walworth in *Allen v. Bank*, there is, in cases like this, no consideration sufficient to support an undertaking by a bank to answer for the default of a correspondent where it has, without fraud or negligence, in proper time, forwarded the paper to a reputable correspondent, with proper instructions, and when the loss is not occasioned by the act or omission of any of its immediate agents or servants. The theory of those cases which hold the remitting bank liable in such cases is that the advantage of exchange between different points is a sufficient inducement for banks to assume the liability sought to be imposed. This may be conceded, so far as the inconvenience and costs of collection is concerned, but to us it seems wholly inadequate as a consideration for an implied undertaking to insure against loss on account of the fraud or insolvency of a correspondent. The Supreme Court of Tennessee, in *Louisville Bank v. First National Bank*,‡ after a thorough examination of the cases on the sub-

* 7 N. Y. 459.

† *First Nat. Bank v. Sprague*, 51 N. W. Rep. 846.

‡ 8 Baxter 101.

ject, summarizes as follows: 'The more reasonable and just construction of the undertaking of the bank in which the bill is deposited for collection is that, when the bill is payable at another and distant place, the bank so receiving the bill discharges itself of liability by transmitting the same, in due time, to a suitable and reputable bank or other agent at the place of payment; and in such case it is manifest that a sub-agent must be employed; and the assent of the principal is implied, as it cannot be said that the reviving bank was expected or bound to send one of its own officers to the distant point of payment for the purpose of personally attending to the collection for the very inadequate compensation usually paid to banks for such service.* To the views thus expressed we give our unqualified assent." The imperfect character of the New York rule is seen in the tendency of the courts to narrow its application, though in their endeavors to do this are making some of the ways dark which would be luminous under the operation of the other rule. Thus, in sending checks or other instruments to the bank at which they are payable for payment, which may be legally done in that State, in what capacity does the bank act? In some cases the courts have said that it was the agent of the sending bank; in others of the payor, the mails acting as the presentor. In some of these cases the capacity in which the bank acted as agent of the sending bank was clearly manifest; in other cases it was difficult to perceive that they were not acting in the same manner, except that the courts said they were not. The difficulties in the way of establishing the doctrine that the mail can thus be used as a presentor, doing the work of a bank or other agent, has been already described, and we do not believe that the courts would have ever tried to establish it except as a limitation to the principle of a collecting bank's liability for the conduct of a sub-agent. Admit that the second bank is acting as a sub-agent in such cases, and that the first is not responsible for its conduct if due care has been exercised in selecting it, and the courts would have no need to resort to this peculiar subterfuge of the mails to find a mode of just escape for the principal collecting bank for the conduct of the other.

In what States, then, does this prevail? First established, and afterward overthrown in New York,† the rule has been adopted in

* And Beck, J., in *Guelich v. National State Bank*, 56 Ia. 434, 435, has said that "a sub-agent is accountable ordinarily only to his superior agent when employed without the assent or direction of the principal. But if he be employed with the express or implied assent of the principal, the superior agent will not be responsible for his acts. There is, in such a case, a privity between the sub-agent and the principal, who must, therefore, seek a remedy directly against the sub-agent for his negligence or misconduct."

† *Smedes v. Bank*, 20 Johns. 372, affd. 3 Cow. 663; *McKinster v. Bank*, 9 Wend. 46, affd. 11 Wend. 473.

Massachusetts,* Connecticut,† Maryland,‡ Missouri,|| Illinois,§ Tennessee,¶ Iowa,** Wisconsin,†† Kansas,‡‡ Mississippi,|| Louisiana,§§ Nebraska,¶¶ Pennsylvania.***

[TO BE CONTINUED.]

NATIONAL AND STATE BANKS.

A PLAN FOR CONTINUING THE NATIONAL BANK NOTE SYSTEM WITHOUT BOND SECURITY.

The following is an address delivered before the American Academy of Political and Social Science at Philadelphia, by Horace White.

The National banking system was recommended to Congress by Secretary Chase in his first annual report, December, 1861. He urged its adoption, both as a measure of currency reform and as a means of replenishing the public Treasury. As a matter of fact, the act brought little aid to the Treasury until after the need of it had passed by. The war ended practically in April, 1865. The whole amount of National bank notes issued up to the 3d of that month was only \$98,896,488. The sum total of fiscal aid gained by the operation of the act up to that time, therefore, did not exceed \$109,000,000, and this was only 3 6-10 per cent. of the borrowings of the Government.

THE TAX ON STATE BANK NOTES.

The National Bank bill was not favored by Congress during the first or the second year of the war. It was reported adversely by the Committee of Ways and Means on the 8th of July, 1862. In December fol-

* *Fabens v. Mercantile Bank*, 23 Pick. 330; *Dorchester & Milton Bank v. New England Bank*, 1 Cush. 177; *Warren Bank v. Suffolk Bank*, 10 Cush. 582.

† *Lawrence v. Stonington Bank*, 6 Conn. 521; *East Haddam Bank v. Scovil*, 12 Conn. 303.

‡ *Jackson v. Union Bank*, 6 Har. & Johns. 146; *Citizens' Bank v. Howell*, 8 Md. 530.

| *Daly v. Butchers & Drovers' Bank*, 56 Mo. 94.

§ *Ætna Ins. Co. v. Alton City Bank*, 25 Ill. 243; *Fay v. Strawn*, 32 Ill. 295.

¶ *Bank of Louisville v. First Nat. Bank*, 8 Baxter 101; *Second Nat. Bank v. Cummings*, 18 So. W. Rep. 115 (Tenn.)

** *Guelich v. National State Bank*, 56 Ia. 434.

†† *Stacy v. Dane Co. Bank*, 12 Wis. 629.

‡‡ *Bank v. Ober*, 31 Kansas 599.

|| *Third Nat. Bank v. Vicksburg Bank*, 61 Miss. 112; *Tiernan v. Commercial Bank*, 7 How. 648; *Agricultural Bank v. Commercial Bank*, 7 Sm. & Marsh 592; *Bowling v. Arthur*, 34 Miss. 41.

§§ *Hyde v. Planters' Bank*, 17 La. 560; *Baldwin v. Bank*, 1 La. Ann. 13; 17 La. Ann. 560.

¶¶ *First Nat. Bank v. Sprague*, 51 N. W. Rep. 846.

*** *Merchants' Nat. Bank v. Goodman*, 109 Pa. 422, 427; *Wingate v. Mechanics' Bank*, 10 Pa. 104; *Mechanics' Bank v. Earp*, 4 Rawle 384; *Bellemire v. Bank*, 4 Whart. 105. See *Bradstreet v. Everson*, 72 Pa. 124; *Hazlett v. Commercial Nat. Bank*, 132 Pa. 118.

lowing the Secretary renewed his recommendation with great earnestness, and the recommendation was reinforced by President Lincoln in his annual message. Notwithstanding all this, the opposition to the measure in Congress was exceedingly stubborn. The bill was started this time in the Senate, where it was passed February 12, 1863, by a vote of 23 to 21. A few days later it passed the House by 78 to 64. It was revised and re-passed on the 3d of June in the following year, but neither in the original nor in the amended act was there any discriminating tax on State bank notes. This tax was an afterthought. It was proposed by Mr. Hooper, of Massachusetts, in the House, on the 17th of February, 1865, and in the form in which he offered it, it was defeated. It was again offered in substantially the shape in which it now stands, on the same day, by Mr. Wilson, of Iowa, and it was adopted by an accident. The vote was 68 yeas to 67 nays, but Mr. Brooks, of New York, who had bitterly opposed it in debate, voted in the affirmative in order to move a reconsideration. When he moved the reconsideration, Mr. Washburne, of Illinois, moved to lay that motion on the table, and on the latter motion the vote was a tie, 71 to 71. The Speaker then voted in the affirmative, and his vote saved the Wilson amendment. If Mr. Brooks had voted in the first instance as he had fought, there would have been a majority of one against it.

In the Senate the Committee on Finance reported adversely to the tax, but was overruled by a majority of two. I mention this merely to show how small was the preponderance of sentiment, if any, in favor of the tax at the time when it was enacted. Although enacted on the 3d of March, 1865, the tax did not go into effect until August 1, 1866, or fifteen months after the close of the war.

The constitutionality of the tax has been called in question. The Supreme Court held, in the case of *Veazie Bank v. Fenno*, that it was not repugnant to the Constitution. There may be room for difference of opinion as to the scope of the decision, but according to my reading the court held that the right of Congress to tax bank notes existed, and that the judicial department of the Government could not prescribe limitations to the legislative department upon the exercise of its acknowledged powers.

A different question is raised when we look at the moral and economical features of the tax. If you can tax bank notes, not for the purposes of revenue, *i. e.*, not for the usual purposes of taxation, but for something quite different, you may tax anybody or anything on the same principles. The debate shows that the tax was imposed to kill State bank notes, not to obtain money for public uses. Such a power can be invoked to destroy any industry, to take away any man's livelihood, and to reduce him to beggary. This power was invoked a few years ago to destroy the oleomargarine industry, and there is now pending a bill, which has passed one branch of Congress, to tax out of existence the business of making a certain class of contracts called "futures." This bill has created far more commotion during the past twelve months than the tax on State bank notes ever did. It was and is advocated by some who have no pecuniary interest to serve, as an anti-gambling statute. Dealing in futures, they say, is gambling. Ought we not to suppress gambling by every means in our power? Whether dealing in futures is gambling or not, whether some of it is gambling and some not, I observe that orthodoxy is brought in to give a lift to every such measure. It was especially so in the oleomargarine case. The making of this article was pronounced immoral and even infamous, although it turned out that the most deceptive and deleterious compounds in the market going under the name and guise of butter were really butter

done over with chemicals. Now orthodoxy, according to a well-known formula, is my doxy and heterodoxy is your doxy. If I want to tax your business out of existence because it interferes with mine, I shall begin by persuading Congressmen that you are a bad fellow and that your influence over the young is pernicious. I confess that I was captivated with the idea of taxing the Louisiana Lottery out of existence by act of Congress, but I see now that a better way was found. I hope, if another round is to be fought with that monster, that means may be devised for overcoming it without resort to so doubtful an expedient; for there is no limit to its oppressions if the principle is admitted that you may use the taxing power for other purposes than those of the public fisc.

But we are confronted with the fact that the thing has been done. If the means were questionable, still *we* are not responsible. The blame, if any, is on the last generation. Are we required, upon sentimental or other grounds, to undo what they did, even at the risk of producing chaos? I consider the sin of inflicting a bad currency upon the people the deadliest that a Government can commit. Hence it becomes us, before answering this question, to look at the probable consequences.

If we are to assume that one of the consequences will be the circulation of bank notes as bad as some of those which existed before the war, no further argument is needed. There were good banks and bad banks before the war. There were good bank systems and bad bank systems. Let us glance at some of both kinds.

STATE BANK OF INDIANA.

The State Bank of Indiana was incorporated by a special charter in 1834. The capital stock was originally fixed at \$1,600,000, and of this sum the State was to subscribe one-half and private individuals the other half. The capital was afterwards increased, the State reserving to itself the option to take one-half of the several increments. All the stock subscriptions were required to be paid in specie. The State Bank consisted of a president and board of directors at Indianapolis, who were a supervising body, but who had no capital under their control and transacted none of the details of the business. All the details were performed by the branches of the State Bank, originally ten, but increased in number from time to time. The branches were managed by the private shareholders exclusively. The stock subscriptions were made by each branch separately, the capital of each being \$160,000, of which the State took \$80,000 and private persons \$80,000. The earnings and dividends of each branch belonged to their own shareholders exclusively, but each branch was liable for the debts of every other branch. They were independent of each other in the matter of assets, but were united as to liabilities. This was the admirable keystone of the arch.

The president and four directors of the bank (the parent institution) were chosen by the State Legislature to hold office for five years, and one director of the same was elected by each branch.

The kind of business to be done was defined in the law. It was the usual banking business, including the power to issue circulating notes. The only limit on the amount of circulating notes was embraced in a provision that the debts due to or from any branch (except deposits) should not be more than double the capital of that branch. Theoretically, therefore, each or every branch might have notes outstanding to double the amount of its capital minus any debts it owed to other banks. An amendment was passed in 1836 allowing discounts to be made to the extent of two and one-half times the capital stock. They were not allowed to lend on mortgage security or to deal in real estate, except

such as might come to them in the way of security for loans previously made; and in such cases they were required to offer it at public sale once each year.

In order to prevent the branch banks from falling under the control of individuals or cliques, it was provided that at elections of directors no person should cast more than 100 votes, however large his holdings might be. Holders of one to four shares might cast one vote for each share; four to thirty shares, one vote for every two shares; thirty to ninety shares, one vote for every four shares, and so on—a scheme of minority representation borrowed from the Massachusetts Law of 1828. No branch could lend money on the security of its own stock. No officer or director could borrow on terms different from the public, nor could they indorse for each other, nor could they vote on questions where they were interested. On all applications for loans above \$500, a majority vote of five-sevenths of the board was necessary, and this must be entered on the minutes with the names of the directors so voting. Directors were individually liable for losses resulting from infraction of the law, unless they had voted against the same and caused their votes to be entered on the minutes, and had notified the Governor of the State of such infraction forthwith, and had published their dissent in the nearest newspaper. Any absent director should be deemed to have concurred in the action of the board, unless he should make his dissent known in like manner within six months.

Such were the leading features of this monumental bank. It continued until the expiration of its charter to be a great and beneficent financial institution, highly profitable to its shareholders and advantageous to the community. When the crash of 1837 came, it held Government deposits to the amount of \$1,500,000, all of which it paid in the usual course of business. The first installment of this deposit (\$80,000 gold) was conveyed in a stage-coach over the Alleghany Mountains to Washington City, by the late J. F. D. Lanier, of New York, who was then president of the Madison Branch Bank. It was rechartered as the "Bank of the State of Indiana" in 1855. It was one of the few institutions that did not suspend specie payments in the panic of 1857. The State very properly ceased to be a shareholder when the first charter expired. Its participation was deemed necessary in the beginning to procure the requisite capital, but it wisely kept its own hands off the management. The State banks of Illinois and Kentucky, which were owned wholly by the States, and were managed by public officers, soon went to smash. That of Indiana paid into the State Treasury twelve to fourteen per cent. per annum in dividends, besides nearly doubling the original capital at the "round up." This money was turned into the State School Fund.

When the State of Indiana adopted a new Constitution, in 1851, a clause was inserted prohibiting the State from becoming a shareholder in any bank or other corporation. Another clause authorized the Legislature to pass a general banking law, and a third clause provided that note-holders should be preferred creditors of failed banks.

STATE BANK OF OHIO.

The State Bank of Ohio had a different origin and was of later birth. It was made a part of a banking law of wide scope passed in 1845. It seems to have been modeled after the Indiana law, with a few differences. The State of Ohio had no pecuniary interest in it. There were a number of banks existing in the State when the law of 1845 was passed, and the law authorized the formation of others, but restricted the aggregate amount of capital to a fixed sum and appointed commissioners to parcel it out,

as though banking were a necessary evil, like dynamite. The law provided that any number of banks, not less than seven then existing, or to be organized thereafter, might become branches of the State Bank of Ohio. The latter, like the State Bank of Indiana, was a mere Board of Control, and was so denominated in the law. The central and governing idea of this law was the security of the note-holder. Note-issuing was proportioned to capital in the following manner: Any branch might issue \$200,000 of notes for the first \$100,000 of capital, \$150,000 of notes for the second \$100,000 of capital; \$125,000 of notes for the third \$100,000 of capital; \$100,000 of notes for the fourth \$100,000 of capital, and \$75,000 of notes for each additional \$100,000 of capital. Each branch was required to deposit with the Board of Control ten per cent. of the amount of its circulating notes, either in specie or in bonds of the State of Ohio or of the United States, as a safety fund for the protection of the holders of notes of any or all the branches. The Board of Control might invest any money belonging to the safety fund in the bonds of Ohio or of the United States, or in mortgage on real estate in the county where the branch was situated, worth double the amount of the loan, exclusive of buildings or other destructible property. Each branch was liable for the circulating notes, but not for the general debts of the other branches. In case of the failure of any branch to redeem its notes, the Board of Control was to make an assessment *pro rata* on the other branches, and reimburse them as soon as the assets in the safety fund could be disposed of; and then the safety fund was to be reimbursed out of the assets of the failed branch before any other creditor was paid. The State Bank of Ohio had thirty-six branches and was highly successful.

These are the only essential points of difference between the State Bank of Ohio and that of Indiana. The General Banking Law of 1845, of which the State Bank of Ohio formed a part, made provision, however, for free banking on the New York plan, which will be described later.

LOUISIANA BANK ACT OF 1842.

The State of Louisiana had her full share of bank misery in 1837 and later. Her banks suspended specie payments, and so remained until 1842. In that year the State passed a banking law which was, in nearly all respects, a model for other States and countries.

The principal features of this law were the requirement (1) of a specie reserve equal to one-third of all its liabilities to the public; (2) the other two-thirds of its liabilities to be represented by commercial paper having not more than ninety days to run; (3) all commercial paper to be paid at maturity; and if not paid, or if an extension were asked for, the account of the party to be closed and his name to be sent to the other banks as a delinquent; (4) all banks to be examined by a board of State officers quarterly or oftener; (5) bank directors to be individually liable for all loans or investments made in violation of the law, unless they could show that they had voted against the same if present; (6) no bank to have less than fifty shareholders, having at least thirty shares each; (7) any director going out of the State for more than thirty days, or absenting himself from five successive meetings of the board, to be deemed to have resigned and his vacancy to be filled at once; (8) no bank to pay out any notes but its own; (9) all banks to pay their balances to each other in specie every Saturday, under penalty of being immediately put in liquidation; (10) no bank to purchase its own shares or lend on its own shares more than thirty per cent. of the market value thereof.

This law had one feature which cannot be approved. It allowed some loans to be made on mortgage security, but it restricted such loans to the bank's capital. No part of the deposits could be lent except on commercial paper maturing within ninety days. I judge that not many mortgage loans were made by the Louisiana banks, since none of them suspended in the panic of 1857, although most of the banks of the country were temporarily closed by that catastrophe. Mortgage loans are all right in themselves, but they are no part of the banking business.

I think that the Louisiana Bank Act of 1842 was eminently scientific. It was the first law passed by any State requiring a definite amount of specie to be kept as a reserve. The Louisiana law required no pledged security for the circulating notes of banks nor did it put any limit on the amount of their issues. All this was covered—and amply covered—by requiring thirty-three per cent. of specie against all liabilities, whether deposits or notes, the balance of the assets to be in mercantile paper having not more than ninety days to run. Under this law Louisiana became in 1860 the fourth State in the Union in point of banking capital and the second in point of specie holdings. I think, however, that the requirement of a thirty-three per cent. reserve of coin (or, as we say now, of "lawful money") was excessive, and that the twenty-five per cent. in larger cities and fifteen per cent. in other places, required of National banks, is ample. It is a matter of history that the Louisiana Bank Act of 1842 was strictly and intelligently enforced until the city of New Orleans was captured during the civil war.

MASSACHUSETTS AND THE SUFFOLK BANK SYSTEM.

The Massachusetts Banking Law, as it existed before the war, consisted of two parts, the first part relating to chartered banks. This was one of the best banking laws ever produced. No individual could hold more than one-half the stock of any bank, no person could be a director of more than one bank, no person could be a director whose stock was pledged for debt. Neither the debts nor the credits of a bank could exceed twice the capital stock paid in, except for deposits and for debts to or from other banks. Directors were personally liable for violation of this clause unless they dissented or were absent, in which case they must notify the Bank Commissioners of the State forthwith. No bank could pay out any notes but its own, nor issue any notes, directly or indirectly, except at its own banking house, or issue any notes with the understanding that they should be kept out a certain length of time. No bank could make a loan repayable in anything except specie or its own notes. In case of bank failure the note-holders were to be paid first. Each bank was required to keep fifteen per cent. of specie as a reserve against both circulation and deposits, but country banks might reckon their balances in Boston banks payable on demand as specie. This specie reserve clause was passed in 1858, after a hard struggle. It was copied from the Louisiana Act of 1842, but the amount of the specie reserve was only one-half of that required in Louisiana. (See *BANKER'S MAGAZINE*, November, 1877.) When gold was paid out, it must be paid by weight. This was an old law of 1803 re-enacted at every revision of the banking laws down to and including 1860. There was a provision that if any new banks were chartered with greater privileges than those here enumerated, the same privileges should extend to all other banks. This proviso was inserted in the Act of 1828 and in every subsequent revision. The Act of 1828 provided that at elections for bank directors each stockholder should be entitled to one vote for the first share and to one vote for every two additional shares, provided

that no person should have more than ten votes. This was re-enacted in the revision of 1835, but was dropped in the revision of 1860.

The second part of the Massachusetts law was the free banking system. It was passed in 1851 and re-enacted in the revision of 1860, but as only seven banks were organized under it we need not dwell on its provisions.

The distinguishing feature of Massachusetts banking was the daily redemption of all New England bank notes that reached Boston. This redemption took place at the Suffolk Bank, and hence was called the Suffolk Bank system. It was a voluntary arrangement like a Clearing House. It began in 1825. The country banks resisted it at first, but they were forced into it by a systematic "run" on every one that did not come in and provide for the redemption of its notes at the financial center. The Suffolk Bank system was aided by the provision of law that no bank could pay out any notes except its own, but it began before that law was passed. In this way the goodness of all circulating notes was subjected to a daily test.

It is important to observe that in each of the three systems we have examined, viz., the State Bank of Indiana, and the Louisiana and Massachusetts laws, the governing principle was that the bank's assets should redeem its circulating notes. They rested upon the true theory that any system which takes diligent care of the assets will surely take care of the circulation, and they demonstrated in a long series of years by splendid results that such assurance is not beyond the reach of the State's administrative powers.

FREE BANKING LAW OF NEW YORK.

The next great step in the evolution of banking in the United States was what is called the free bank system. Notwithstanding the praise that has been bestowed upon it, and notwithstanding its adoption as one feature of the National Banking Law, I think that it was a step backward and that it is destined to perish. It had its origin in the State of New York in 1838, although the State of Michigan had something resembling it a year earlier. Prior to that time bank charters in New York were a part of the spoils system of politics. Accustomed as we are to the spoils system, to-day, it sounds oddly to read that bank charters were granted by Whig and Democratic Legislatures only to their own partisans. Not only was this the common practice, but the shares in banks, or the rights to subscribe to them, were parceled out by political "bosses" in the several counties. Of course corruption flourished in such a soil. The people became exasperated by the indecencies witnessed at Albany. A reaction in favor of equal rights was the natural consequence, and out of this came the Free Banking Law of 1838. Under this law the Comptroller was authorized to issue circulating notes to any association organizing itself as a bank and depositing stocks of the United States, or of any State, or bonds secured by mortgage on real estate of a certain specified grade. The system had a bad start. Within five years after the law was passed twenty-nine banks that had organized under it failed, and the deposited securities realized only 74 cents on the dollar of the outstanding notes. This led to changes in the law by which all State bonds were ruled out except those of New York, and the mortgage securities were keyed up to a high pitch, but still not high enough. Under the present banking law of New York (revision of 1892), the security required for circulating notes consists of the bonds of the United States, or of the State of New York, or of any county or incorporated city in the State, or of mortgages on improved

real property worth 75 per cent. more than the loan. Individual bankers can issue circulating notes on the same terms.

The free banking system was adopted in Ohio in 1845, but did not flourish there, because it came in competition with the State Bank and branches that were started at the same time. It was adopted in Massachusetts in 1851, as has been remarked, but it gained no foothold there, because it was really inferior to the Suffolk Bank system, which already held the ground.

FREE BANKING IN THE WEST.

The State of Illinois passed her "Free Banking Law" in 1851. It was submitted to a vote of the people in November of that year and ratified. It provided that any number of persons might organize a bank, but that no bank should have a less capital than \$50,000. It did not require that a bank should have any directors. The bank's capital might consist wholly of bonds of States or of the United States deposited with the State Auditor as security for its circulating notes. The Auditor could deliver to the bank in circulating notes 80 per cent. of the market value of the securities. No examination of the affairs of the banks by public officers could be had except on the affidavit of shareholders, and then only for the purpose of ascertaining the safety of the investments. A subsequent amendment provided for an annual examination by bank commissioners of the securities deposited against circulating notes. The banks were allowed to pay out the notes of any specie-paying banks of the United States or of Canada, no matter how remote.

These are all the essential provisions of the Free Banking Law of Illinois as it existed before the war. You will observe that the only idea in the law is security for circulating notes. Each bank was a kind of a slot machine. You dropped in a State bond and a lot of bank notes came out, and that was all the banking that was expected or contemplated in the law.

The Free Banking Law of Indiana passed May 28, 1852, was very similar to that of Illinois. The differences were, that in Indiana the Auditor might issue circulating notes to the full amount (instead of 80 per cent.) of the securities deposited, and that each bank must have specie in its own vaults equal to 12½ per cent. of its circulating notes.

The Free Banking Law of Wisconsin, passed in 1853, was, perhaps, the worst of all. It did violence to banking principles in a variety of ways. It allowed the Bank Comptroller to issue circulating notes to the full amount of the bonds of States deposited with him by banks. It allowed the Comptroller also to receive the first-mortgage bonds of any railroad in the State, twenty miles long, or divisional mortgage bonds on sections of road of not less than forty miles, such road to be first inspected as to its physical condition by the Governor, the Attorney-General, and the Bank Comptroller, or any two of them. On such securities 80 per cent. of circulating notes could be issued, and one-half of the securities of any bank might consist of railroad bonds of this description. Directors or stockholders were required to give their personal bonds to the extent of one-fourth of the amount of the circulating notes, as security against depreciation of the other securities. Except in this particular the shareholders were not liable beyond the amount of their capital invested. The banks might lend money on real estate security to any extent.

CAUSES OF THEIR FAILURE.

Most of these so-called free banks turned out to be bad when the first real test came. Out of ninety-four free banks in Indiana fifty-one had

suspended even before the panic of 1857. The theory of their existence was that if bank notes were secured by the pledge of marketable bonds or stocks lodged in the hands of a State officer, it was of no consequence what else the bank had or did not have. The idea that a bank's assets should redeem its notes did not enter into this scheme at all. Since there were examples of good banking present to the eyesight, like the State Bank of Indiana, we may reasonably ask why such a mistake was made. I can only answer this question in one way. Banking made itself known to the great mass of the community only through failed bank notes. One failed bank of small caliber would make more impression on the public mind than a dozen others which never closed their doors. This is on the principle that one lost sheep gives its owner more concern than ninety-nine that go not astray. So the legislative mind, which generally follows the public mind, becomes exclusively fixed on security for bank notes, to the neglect of all other branches of the business.

In practice it was hardly necessary for the bank to have a place of business if its notes were secured, and I remember that in some instances where attempts were made in Illinois to present notes for redemption at the bank's counter, no counter was found, but merely a hired room in some place remote from any railway station and situated on some bottomless prairie road. As the country banks had a decided advantage over the city banks in the way of nest-hiding, the latter resorted first to the device of not paying out their own notes at all, but borrowing those of Eastern banks instead. Facilities for travel were too good, however, in the East. The notes paid out in Illinois and Wisconsin went home to be converted into New York and Boston funds too rapidly. So the city bankers went to the State of Georgia and started a lot of subordinate banks there, with whose notes they flooded the Northwest from Chicago as a radiating point. None of these currency mills actually failed, but the rate of exchange on New York was measured by the cost of sending the notes to their several Georgia houses for redemption, which cost was at that time considerable.

The Western free banks for the most part went down in the crash of 1857, and again in that of 1861, and their securities being pressed on the market simultaneously sank to low figures, the notes falling even lower than the securities. Whatever may have been the design of the law-makers (and there is no reason for doubting that it was good), it turned out to be a mere scheme to enable speculators to sell bonds to the public, and continue to draw the interest themselves. It was possible, under these laws, for a man to borrow, say, \$100,000 of State bonds, deposit them with the Auditor, receive from him circulating notes, buy wheat with these notes, send the wheat to New York, and sell it for money with which to buy more bonds to deposit with the Auditor, and so round and round. This was actually done in some cases, and it was considered an effective way of procuring an adequate supply of money.

BUYING BAD MONEY.

What would have happened if this supply had not existed? Why, of course, the wheat would have reached its market all the same, and would have been sold for good money, and this money would have gone to the wheat producer, instead of the wild-cat and red-dog notes that the State Auditor put his name and seal on, that were so handsome to look at, and that we were all so proud of in the beginning. I remember how independent we all felt when we had some of these triumphs of art in our pocketbooks.

A process of essentially the same kind for furnishing a supply of money

has been going on in this country during the past fourteen years. The Government has been issuing circulating notes of one kind and another on the basis of silver, and although some 400,000,000 of these notes have been put in circulation, money is not a whit more plentiful than it was before. What would have happened if not a single silver note had been issued, or a single ounce of silver bought? Why, the products of the country would have been sold all the same, and in the absence of silver and silver notes we should have had gold and gold notes. But, says some one, there is not gold enough in the world. How do you know that? You, or the likes of you, said the same thing before we resumed specie payments. You said the same thing before Italy resumed. And now Austria-Hungary is preparing to resume, and largely with gold drawn from us. Simultaneously we hear (and I believe it is true) that Russia has stowed away \$500,000,000 of gold. I have not the smallest doubt that Austria-Hungary will get all the gold she needs for this purpose, and that there will still be some left. I know, too, that the ability of this country to draw gold from the world's stock exceeds that of Austria-Hungary and Russia combined, and that if we wanted more gold we could get it. The first step would be to repeal the present Silver Law. I doubt if anything else would be needed. Mr. Buckle in his "History of Civilization" showed that the world's progress in the last 100 years had consisted chiefly in repealing bad laws. There is abundance of room left for that kind of progress in our own country.

THE "BANKING PRINCIPLE."

The State Bank of Indiana, the Louisiana and the Massachusetts Banks were based upon what is known to economists as the "banking principle," the opposite, or counterpart, of which is called the "currency principle." The banking principle affirms that all trade is barter, that men would swap their goods and services directly, and without the use of money, if they could, but that since they cannot (owing to the complexity of human affairs) any machine which will do this swapping is a saving and a gain to mankind.

This is what a Clearing House does on a large scale, and a bank on a smaller one. A., B. and C. and the rest of the alphabet deposit the money they get for their various industries and services in a bank, and then draw their checks for what they want to buy. This is the same as though they deposited their various goods in the bank and gave to each other orders for goods payable in kind at the bank. There would be practical difficulties in making the division at the bank and in handling the goods, but the essential nature of the operation is not changed by bringing in another set of hands (namely, merchants) to transfer the goods and make the divisions. The fact is, that all trade is at bottom barter and swapping.

Now the issue and circulation of bank notes is only an extension of the bank-check system. It carries swapping by machinery one step further. The checks of an individual often circulate through three or four hands before they reach the bank for payment. The bank note is the cashiers' check on the bank. These cashiers' checks circulate more widely than private checks, because the bank's credit is more widely known, and because they are of convenient form and size. They enable the community to make small exchanges, to do small swapping, without the use of real money. Since real money is capital, they economize the use of capital.

THE "CURRENCY PRINCIPLE."

The currency principle proceeds upon a theory somewhat different. It assumes that a certain amount of paper notes will be wanted by the

public at all times, will always be passing from hand to hand, and will never be presented for redemption. This assumption is based upon experience, and is much the same as assuming that a certain number of hats or pairs of trousers will always be wanted. This amount the Government itself will furnish. In England the bank issues this amount of notes, but it accounts to the Government for the profit over and above expenses, and a fair compensation for its own trouble. When the Bank Act was passed, the amount of the fiduciary issues of notes was fixed at £14,000,000. Upon this the bank was to make an annual payment of £120,000 besides paying all the expenses of the note issue and managing the public debt. It was provided also that on the discontinuance of the circulation of certain country banks, then in existence, the Bank of England should have the right to issue a corresponding amount of notes, paying a tax to the Government thereon, at the rate of 2 per cent. per annum. The net amount received by the Government from the Bank last year was £162,716. The fiduciary issue is based on Government securities. If the community wants any more notes than the fiduciary issue (which is now about £15,500,000), it can have them by paying gold for them. But obviously this is the same as using the gold, since a note issued against five sovereigns is merely like a gold certificate of deposit issued by our Treasury. True, there is no external mark to distinguish this Bank of England note from any one of the £15,500,000 issued against securities, but it is a very different thing in fact. The Bank of England is a perfect representative of the currency principle, and the Bank of France is a perfect representative of the banking principle. There are no notes issued in France on Government account, nor is there any limit put by the Government on the amount of notes that the bank may issue.

THE TRUE PRINCIPLE.

The banking principle is the true one in theory. It is a labor-saving and capital-saving machine at the same time. It does for the lesser transactions of commerce what the bill of exchange and the Clearing House do for the greater ones, and in the same way substantially. It enables trade to be carried on to any extent within the limits of a single nation by a series of offsets. It is barter reduced to science. If there were no disturbing elements, it would gradually root out and supersede every other kind of apparatus for performing the exchanges of mankind. It would do this in the same way and for the same reason that a superior tool crowds out and supersedes an inferior one—as the friction match, for example, superseded the flint and tinder-box. But there are disturbing elements. Bad and dishonest management of banks may be minimized, but cannot be prevented altogether. The currency principle here has its *raison d'être*. It says that the first requisite of any bank note system is the security of the note-holder, and that everything else should be subordinated to that.

I agree to that proposition. Any system which does not make the note-holders secure is condemned at the start. But we have seen that the issue of notes against deposited securities did not save the note-holders from loss before the war, while careful and intelligent systems of banking like those of Louisiana, Massachusetts, and the State Banks of Indiana and Ohio did protect them fully. I consider note-issuing against deposited securities erroneous in principle, because it uses up the bank's capital in procuring its notes, whereas it ought to have this capital free at the outset for the discount of commercial paper.

Take an illustration. Suppose that a bank starts with \$100,000 of capital. Under the plan of deposited securities it must pay all this and

perhaps more in order to get \$90,000 of notes to apply to the discount of commercial paper. The bank cannot know whether the parties whose paper is discounted will draw the money in the form of notes, or will ask for drafts on some other city, or will draw checks which will turn up at the Clearing House the next day. If the parties draw out the notes, these may come back as deposits the next day. The notes are assets while the bank holds them, but they are liabilities when the public holds them. Each dollar has cost the bank \$1.10 and the notes will perform no function that the notes of the old State Bank of Indiana would not perform. Now, supposing that the note-holder could be made safe without the deposited security. Then the bank would have \$100,000 of free capital to start with, plus as many notes as the community would draw out and make use of. This amount of notes is all that it can put out, even when it buys them from the Government at \$1.10 each. Therefore the \$100,000 of free capital is clear gain to the banking business. But, you say, the bank has the interest on the deposited bonds. Yes, that is what it gets out of a permanent investment, but banks are, or ought to be, organized for discounting short-time commercial paper and not for long-time loans. If long-time loans are wanted in the banking business, which I respectfully deny, more money can be made by lending on mortgage than by lending to Governments.

BANKING ON SECURITIES CANNOT LONG SURVIVE.

I have said that I think that the system of note-issuing on deposited securities is destined to perish. Not only is it erroneous in that it absorbs the bank's capital before its doors are opened for business, but the only securities fit to be used for this purpose are rapidly disappearing and will soon be gone. The note-issuing feature of the National bank system is moribund already. But the banking feature will not die, even if note-issuing comes to an end. It is so interwoven with the commerce of the country that it will stand, and necessarily stand, for an indefinitely long period with or without note issues. The note circulation of the National banks reached its maximum of three hundred and thirty-six millions in December, 1872. At that time the number of banks was 1,940 and their capital four hundred and eighty-two millions. In September, 1891, the circulation had fallen to one hundred and thirty-one millions, while the number of banks had risen to 3,667 and the capital to six hundred and seventy-seven millions. This proves that the system is beneficial and is approved by business interests, altogether apart from the note-issuing feature. The reason why is not far to seek. The public have more confidence in the machinery of governmental oversight and enforcement of law, under the National system, than they have under State systems, and this they will continue to have even though some State systems are as good or better. They know that the National system is uniform. It operates in the same way in Washington City and Washington State and everywhere between. When you know this law and the decision of the courts under it, you know all that is necessary. If you undertake to learn and keep track of the banking laws and decisions of forty-four States and four Territories, you will find your task a heavy one. There is now a movement on foot to secure uniformity of law in the States touching the marriage relation, wills, conveyance of land, and some other things. As we actually have uniformity of law on the subject of banking, we had best keep it.

HOW TO PRESERVE THE NATIONAL SYSTEM.

Although note-issuing is not a necessary part of the business of banking, it is a vastly desirable part. As has been shown, it is a device for saving

both labor and capital in effecting exchanges among men. Hence we may assume that it will sooner or later supplant the present costly method of supplying a currency by means of silver bullion. I think that the National bank note can be preserved and even improved, without the bond security, by a slight change in the present law, viz.:

Out of the present tax on bank notes constitute a safety fund to be lodged in the Treasury, the amount of it to be computed by actuaries, taking the National bank mortality of the past twenty-five years as a basis. After this sum is reached, let the tax go into the Treasury of the United States, as it does now, a part of the National revenue. Let the Government continue, as now, to be responsible for the notes, and let it retain, as now, a first lien on the assets of failed banks and on the liability of the shareholders.

I am assuming, of course, that *all* the provisions of the existing law except bond security are retained and enforced, so that the ratio of bank mortality shall not increase. The report of the Comptroller of Currency for 1891 shows that there have been 164 National bank failures since the system first went into operation. The total amount of circulating notes of these banks outstanding at the time of the failure was \$16,209,160. It would take no very long time to collect this whole sum out of the tax on National bank notes, but of course only a small part of this would be wanted at any one time. This sixteen millions of failed bank notes was all that the whirligig of time brought in from April 14, 1865, to October 14, 1891, twenty-six and a half years. Probably a safety fund, beginning with \$5,000,000, and replenished from time to time out of the proceeds of the tax, would be ample. But suppose it were not. We would still have a first lien on the assets. The assets of these 164 failed banks realized \$44,606,561, or nearly three times the amount of their circulating notes. I think it would be entirely safe for the Government to continue its responsibility for the notes on these conditions. We must bear in mind that almost all the banks are sound, and honestly managed, the proportion of bad ones to good ones being as 164 to 3,677, or less than five per cent.

BANK FAILURES WOULD NOT INCREASE.

Would the privilege of note-issuing without bond security tend to an increase of bank failures? Would rascals take advantage of the new facilities for note-issuing in order to swindle the public? This is an important question. We have been so accustomed to bond security for bank notes that we have lost sight of some other requirements of the law, of equal or greater importance. One of these is that every bank must have a paid-up capital and that every shareholder shall be liable for as much more as he has paid in. Moreover, if any bank's capital is impaired at any time it must be made good. The bona fide existence of the original capital and the restoration of it, if impaired, are secured by examination by public officers. Moreover, no bank can issue notes in excess of 90 per cent. of its paid-in capital, while the larger ones are restricted to 80, 75 and 60 per cent., according to their size. Moreover, every bank must have a sum equal to 5 per cent. of its outstanding notes on deposit at Washington for current redemption purposes. All these provisions are in the way of protection to the note-holder, and they are solid provisions too.

We can now answer the question whether the suggested change in the National Banking Act will serve as an incentive to deliberate swindling, and thus increase the amount of bank mortality over and above the experience of the past twenty-six years, which we have seen is less than five per cent. I think that five per cent. of failed bank notes

can always be provided for out of the proposed safety fund, without trenching upon the assets of the bank or the added liability of the shareholders, although I would retain the first lien on the same which the Government now holds for this purpose. I do not believe that people are deliberately going to risk 100 per cent. of their own capital in order to have the chance of cheating to the extent of ninety per cent. of it and running the risk of the State prison besides. This answers the question whether the suggested change in the law will serve as an incentive to deliberate swindling or not. I think that the law will be enforced as well and as thoroughly in the future as it has been in the past, probably more so, since each bank failure teaches the Comptroller's office some lesson. We ought not to stand shivering over the approaching wreck of the National bank note system. Those who think that it ought to be preserved should be willing to try some experiments. This world is not made up principally of cheats and rascals. The preponderance of honest and capable men in the banking business, as we can prove, is more than ninety-five per cent. But if worst comes to worst—if bank mortality should increase under the proposed change—Congress is always at hand to make needed amendments to the law. Wisdom will not die with us.

THE SAFETY-FUND PRINCIPLE.

The safety-fund principle is no new one in our history. It was adopted in New York as long ago as 1829. Each bank was required by law to pay to the State Treasurer one-half per cent. on its capital stock until three per cent. was accumulated. By some mistake or accident in framing the law, the safety fund was made applicable to the payment of all the debts of failed banks instead of the circulating notes only. The preliminary discussion shows that the intention was to protect note-holders only. The contributions to the fund began in 1831. In 1835 the number of safety-fund banks was seventy-six, with a circulation of \$14,000,000. The amount in the safety fund was \$400,000. During the first twelve years of its operation no safety-fund bank failed, and the fund was not drawn upon, for although the panic of 1837 had supervened, the suspension of specie payments was legalized for one year, at the end of which time all the banks resumed. In 1841 six safety-fund banks failed, there being ninety contributing banks at that time, and \$841,000 in the fund. Then the mistake of making the fund applicable to all the liabilities of the failed banks, instead of confining it to circulating notes, was discovered. Litigation and injunctions, delay and consequent depreciation of notes followed, which we have not time to recapitulate. They have been carefully compiled by the late John Jay Knox. (See *Rhodes' Journal of Banking*, April, 1892.) The upshot is that if the safety fund had been applicable only to the circulating notes, it would have redeemed every failed bank note during the twenty-five years that the system lasted. Millard Fillmore, who was Comptroller of the State in 1848, gives, in his report of that year, the exact figures up to that time. He shows that the contributions to the safety fund had been \$1,876,063, and the notes of the failed banks \$1,548,558, leaving a surplus of \$327,505 as against circulation. *This is perhaps the most pregnant fact in the history of banking in this country.* The safety-fund system and the bond-security system ran side by side with each other in New York for nearly a quarter of a century, with comparative results decidedly in favor of the former. Comptroller Flagg, in his report for the year 1846, says: "In the security of the public under each system, our experience in the failure of ten safety-fund banks, and about three times as many free banks, proves that the contribution of one-half of one per cent. annually on the

capital of the safety-fund banks have thus afforded as much protection as the deposit with the Comptroller by the free banks of a sum nominally equal to all the bills issued by them. It will be seen by reference to a statement under the head of insolvent free banks, that the loss to bill holders, on the supposition that all the securities had been stocks of this State, and bonds and mortgages, would have been over sixteen per cent., while the actual loss has been nearly thirty-nine per cent."

The Constitution of New York, adopted in 1846, makes note-holders preferred creditors of all failed banks. It may be remarked here that this preference of the claims of note-holders upon the assets of failed banks has become an axiom in banking law and science, and is no longer called in question.

The late Mr. Knox, whose authority is far greater than mine on any banking question, argued in his report as Comptroller of the Currency for 1882 against the safety-fund plan and all other plans for keeping the National bank note system alive without bond security. I mention this lest I may seem to have overlooked it. Mr. Knox changed his mind on this subject completely, a few years before his death, as he told me and others.

It is proper, nevertheless, to notice one of the arguments in his 1882 report, viz.: That although the assets of failed banks when taken together are ample to reimburse the Government for the redemption of failed bank notes, yet some bank failures are worse than others and some of them would leave hardly anything in the way of assets. Of course, we could not make good the deficit of one bank with the excess of others. The State of New York once had a similar difficulty to deal with. When she discovered that the blundering legislation of 1829 had left a shortage in the safety fund, she made it good by an issue of her own bonds and reimbursed herself out of the safety fund when subsequently replenished. The National Government could do the same, and having the taxing power always in hand would not need to wait long for reimbursement. For Mr. Knox's later views, see an officially published "Interview between the Committee on Banking and Currency of the House of Representatives and John Jay Knox, on the 16th day of January, 1890," page 14.

The Comptroller of the Currency in his last report recommends an extension of the present bonded debt of the United States for twenty, thirty, and forty years beyond its present term at two per cent. interest, for the purpose of continuing the National bank notes. There are serious objections to this plan from political and economical points of view, but an equally serious one from the banking point of view is that it is inadequate. If carried out, it would leave the banks just where they are now. There is no profit in banking on a two per cent. bond. The present marasmus would be continued indefinitely. We hope for something better. We ought to strive for a system that will be really elastic and responsive to the wants of trade. The present system is as stiff as a ram's horn and almost as crooked. One popular argument brought against the National banking system is that in order to get \$90 of circulation we must first withdraw \$100 from the community. This is a valid criticism as regards the localities not provided, or inadequately provided, with banks.

An objection may be raised in reference to the source of the proposed safety fund. This source is the present tax on National bank notes. It may be said, on the one hand, that this is a part of the National revenue and that it cannot be spared, and on the other hand, that if it can be spared it ought to be repealed. In answer to this latter objection I venture to say that this tax never will be repealed until some way is found

to carry on Government without revenue. Moreover, it ought not to be repealed. As regards the Government's need of this particular item of revenue: The tax for the fiscal year 1891 amounted to \$1,216,104—a very small amount in the sum total of Government receipts, but I agree that at the present time the Treasury needs to look after its sixpences. This tax is one per cent. per annum on circulation. If the requirement of low-interest bond security were relaxed, the tax might be doubled without harm or injustice. We have seen that the Government of England exacts two per cent. interest or tax from the bank on all note issues over and above the original £14,000,000. But if such a tax should be really oppressive under the new conditions, the excess would be remitted as soon as the safety fund had reached the required limit.

I should consider it indispensable that the Government should continue to be, as it is now, responsible for the note issues. I think that any Government, National or State, should be responsible for everything that it allows to circulate as money. A right step in this regard was taken in the Silver Purchase Act of July 14, 1890, which makes the Government responsible for the redemption of the silver notes in gold. True, this act is only declaratory of the policy of the United States, but it is mandatory upon an honest Secretary of the Treasury, and I venture to say will never be departed from.

BANK NOTE INFLATION.

The question may be asked, what is to be the limit to National bank notes issued in this way? At present the limit is fixed by the deposited securities. What guarantee shall we have against currency inflation, if currency can be had on such cheap terms? The answer is that the law now limits the circulation of banks to ninety per cent. of the paid-in capital of the smaller ones, and to eighty, seventy-five, and sixty per cent. of the larger ones. We do not propose to alter that, although we have seen that the State Bank of Indiana was allowed to issue notes to the amount of double its capital, and the banks of Louisiana could issue without any limit at all, and that these institutions were almost the only ones in the country that did not suspend in the panic of 1857. There is hardly time to go into an argument to show that there can be no such thing, under modern conditions, as bank-note inflation on a gold basis. I might quote many authorities on this point, but I will refer you to the latest treatise on banking, and one of the best I am acquainted with—that of Prof. Dunbar. The author shows in simple language, and with illustrations that anybody can understand, that a bank is powerless either to put out notes or to keep them out. That power resides exclusively in the hands of those who hold checks on the bank and have the right to draw money from it. What is called bank-note inflation is a consequence and not a cause of general inflation. You all remember, doubtless, the commercial crisis of 1873, and if you do, you remember that the requirement of bond security for bank notes did not prevent it from being one of the most disastrous panics in our history.

STATE BANK NOTES.

If the plan here sketched, or something like it, should be adopted, there would be no need of State bank notes, since every facility that a State could grant for the issue of a sound and safe currency would be granted by the National Government. I take it that nobody is in favor of an unsound or unsafe currency. I feel sure that any political party which fathers an unsound or unsafe currency will be severely dealt with at the polls. I know that there is a deep-seated prejudice against National banks, but that prejudice grows out of a belief that the banks

draw interest on the bonds and on the notes at the same time, and thus make a double profit. This is an error, but a plausible one. It cannot exist if there are no bonds there, but if, in place thereof, each bank is required to contribute to a safety fund, probably such a measure would put an end to silver purchases, since there could no longer be any apprehension or pretense of a shortage of currency. The danger of free coinage of silver has, in my judgment, passed away, notwithstanding some mutterings on the horizon, leaving nothing but the Purchase Act as a disturbing element.

In conclusion, gentlemen, I remark that *you have got to do something*. Time is running on. The National bank system is running out and nothing is taking its place. Every instructed person knows that Governments have no facilities for furnishing money to their people, and ought never to do such a thing, and never can do so without producing mischief. All the financial heresies of the past quarter of a century have had their origin in the Legal-tender Act of 1862. This has been the parent of an unnumbered progeny of wrong ideas. To give a history of all the bad monetary conceits that have been enacted into law, or are waiting to be enacted, or have been killed or temporarily stunned during the past quarter of a century, would take more time than we have at our disposal. The largest part of my work as a journalist during that period has consisted in clubbing financial heresies which have had their root in the Legal-tender Act, and would otherwise never have existed.

STATE BANKS OF ISSUE.

Hon. Henry Bacon, chairman of the Committee on Coinage, National House of Representatives, has this to say of the weakness of State bank currency, in the January *Forum*: "Some of the advocates of the repeal of the State bank tax claim that the resulting State bank circulation will be a more elastic currency, a currency which will be local and which will respond to the demands of the locality in which the bank issuing the circulation is located. Earnest and sincere questioning, however, failed to develop any reason for anticipating that such currency would remain local, would not flow to the money centers, and would not leave the more remote sections of the country unprovided for, precisely as it is claimed the National bank currency now does, except that it was hoped and expected that such local currency would not be at par and of equal value away from home with the legal-tender money of the country or better-known and better-secured bank currency of the older and more wealthy States. With more or less frankness, the advocates of a return to the use of such currency admitted that, unless it was depreciated, it would obey the law applicable to all money in circulation and tend to accumulate in commercial centers. My conclusions are that the country is not prepared and ready to-day to meet or cope with the problems which would arise from the repeal of the tax on State bank circulation; that the return to the system of regulating the issue of such currency by State laws can never be safely or successfully made; that control over the issuing of bank circulation is a constitutional function of the Federal Government, and the exercise of such control in the present situation of the country is necessary and presents no insurmountable difficulty."

THE SAFETY FUND BANKING SYSTEM.

The New York *Daily Commercial Bulletin*, in considering Mr. Horace White's paper, that appears in the present number, makes the following remarks on the revival of the safety fund system :

His proposal for a special guarantee fund has been made substantially in other quarters, especially by an eminent bank president of this city, and has been discussed by the Bankers' Association ; but it does not appear to have met with an encouraging reception ; and, as it appears to us, with good reason. For, in the first place, a tax on bank circulation is indefensible on principle. Bank circulation is of infinitely more value to the public than it is to the banks, and therefore no embargo can be put upon its use without inflicting a public injury. No condition short of an imperative fiscal emergency of the Government, such as existed at the time of organizing the National system, and which alone led to the adoption of the present impost, could justify the taxing of the instruments of exchange ; and the need for this crutch of State finance has long since ceased. In the next place, it is contrary to just and sound principles of banking that one bank should thus be compelled to guarantee another's liabilities. There are times when such engagements have to be undertaken for imperative reasons of mutual protection ; but all such obligations should be voluntarily assumed and never be legally compulsory. The amount to be contributed by each bank might not be large—possibly not averaging over \$2,500—but the principle of the assessment is far more important than its amount ; for principles make precedents, and there is no knowing how far bad precedents in small matters may be allowed to run into affairs even of capital importance. Again, while the Government might be made the custodian and administrator of such a fund, who should be considered its owners ? and, if the banks, what proportion of it would belong to the respective banks with their varying capitals ? And, in the event of a bank winding up or reorganizing under a State system, what would become of its interest in this fund ? Moreover, when the fund came to be reduced by redemptions of defaulted notes or by the winding up or withdrawal of banks, what provision would be made for adjusting such impairments ? These may be deemed matters of minor importance, but they need to be adjusted upon a sound and consistent principle, which Mr. White does not seem to have considered. It is, however, a conclusive objection to Mr. White's suggested guarantee fund that, under the condition of the notes being constituted a first lien on the entire assets and on the personal liability of the shareholders, such a provision would be utterly superfluous. There would not be even the plea that the fund would insure a prompter payment of the defaulted notes ; for the Government being constituted administrator of the failing bank, it would be required to first of all pay the claims of the noteholders ; and such a protection would prevent the notes from becoming even temporarily depreciated. They could gradually find their way through the banks to the receiver, and therefore be promptly redeemed.

INTEREST ON CITY DEPOSITS.

The following ordinance has been reported for the regulation of the deposits of the City of Atlanta. In view of the general interest in this subject it is put before our readers :

Section 1. Be it ordained by the mayor and general council of the City of Atlanta, That, whereas the deposits of money belonging to the City of Atlanta are of considerable value to the banking institutions of the city, that hereafter the president, cashier or other officer of that bank doing business in the City of Atlanta shall be elected city treasurer, at the time, and for the term already provided by law, who shall submit a sealed proposition to the mayor and general council on the third Monday in June, 1893, and biennially thereafter, agreeing to accept the office and faithfully perform all the duties thereof as now required by law; and further agreeing and stipulating that, as the official of the bank with which he is connected, he is authorized by the board of directors of his bank to agree to furnish the City of Atlanta from the first of May until the first of October of each year for which he may be treasurer, a loan of \$150,000, or as much thereof as the city may wish to borrow at a certain specified rate of interest.

Section 2. Be it further ordained, That the officer of that bank who shall bid as provided in this ordinance to loan the City of Atlanta the sum specified in section 1, at the lowest rate of interest, shall be elected city treasurer.

Section 3. Be it further ordained, That in the event that any two or more officers of such banks shall make the same bid, then the general council shall, by ballot, determine which of the two shall be elected treasurer.

Section 4. Be it further ordained, That in the event any officer of any said banks shall submit in their sealed propositions a bid offering the City of Atlanta the use of \$150,000 for the time specified in section 1 of this ordinance, free of any interest charge, shall offer any premium for the use of said city's deposits, such officer applying under the provisions of this ordinance shall be held and deemed to bid the lowest rate of interest.

Section 5. Be it further ordained, That it shall be the duty of the clerk of the city council to notify the presidents of the various banks of this city of the provisions of this ordinance on the first day of May of each year preceding the first Monday in July at which the treasurer is to be elected.

Section 6. Be it further ordained, That the mayor and general council shall open these sealed propositions at the regular meeting of the general council on the third Monday in June of the years in which a treasurer is to be elected, and the applicant making the lowest rate of interest for the money the city may have to borrow, as heretofore provided, shall be elected city treasurer at the next regular meeting in July.

Section 7. Be it further ordained, That the mayor and general council shall have the right to reject any and all bids.

Section 8. Be it further ordained, That the bond of the treasurer shall be given in the sum of two hundred thousand dollars (\$200,000) for the faithful performance of his duties as treasurer. Such bond to be approved by the general council at a special meeting to be called by the mayor for that purpose on the Thursday following the first Monday in July after which he shall be elected as treasurer.

Section 9. Be it further ordained, That the salary of the treasurer next to be elected shall be twenty-five dollars (\$25.00) per year.

Section 10. Be it further ordained, That all ordinances and parts of ordinances in conflict with this be and the same are hereby repealed.

PROVINCE OF LEGISLATURE IN LICENSING BANKS.

SUPREME COURT OF PENNSYLVANIA.

City of Oil City v. Oil City Trust Co.

Whether banks are proper subjects for the imposition of a license under police regulations is a matter for legislative determination.

The good faith and reasonableness of a charge against banks, imposed by a city ordinance under a law authorizing the licensing of banks, being conceded, it will be presumed to be a license, as it purports to be, and not a tax for revenue.

Act June 30, 1885, § 3 (P. L. 193), providing that the shares, capital, and profits of any bank electing to pay to the State a tax of a certain amount shall be exempt from all other taxation under the laws of the State, does not exempt banks from a license under the police power.

Under Act May 23, 1889 (P. L. 277), art. 5, § 3, cl. 4, authorizing cities to levy and collect, for "general revenue purposes, a license tax" on banks, the charge is a tax, within the exemption of the act of June 30, 1885, "all other taxation under the laws of this commonwealth," or at least within the exemption of June 1, 1889 (P. L. 433), § 25, "from local taxation under the laws of this commonwealth."

MITCHELL, J.—The learned judge rightly held that the test of the charge in controversy was whether it was a license fee under the police power or a tax for revenue. On its face it purports to be a license fee on the occupation of banking, and though we may suppose it was not imposed without an eye to the increase of revenue, yet its good faith and the reasonableness of its amount are not questioned here, and the presumption therefore is that it is what it professes to be. (*Johnson v. Philadelphia*, 60 Pa. St. 445.) The appellant argues that banks are not specially subjects of the police power, and, quoting Dillon on Municipal Corporations (Ed. 1890), § 141, that "laws and ordinances relating to the comfort, health, convenience, good order, and general welfare of the inhabitants are comprehensively called 'police laws' or 'regulations,'" asks, wherein does the regulation or licensing of the business of banking relate to the comfort, health, or good order of the community? We are not required to answer this question, further than to say that it is a matter for legislative determination. Certain occupations, such as tavern keeping, theatrical and kindred shows, public conveyances, barges, etc., were regulated by license in England before the settlement of Pennsylvania, and the colonists brought with them the idea of State control of such matters. Others, such as auctioneers, hawkers, and peddlers, etc., were licensed by statute so early and so continuously in the history of our legislation that their appropriateness as subjects of license became familiar as part of the common law of Pennsylvania. Thus auctioneers were classed with hawkers, peddlers, and petty chapmen in an act for regulating peddlers, vendues, etc., passed February 14, 1729-'30, and have been subject to license regulations almost if not quite continuously from that date. Banks are not so obviously within the sphere of police regulations as to be familiar to us as subjects of municipal license; yet it might not be any more difficult to name why they should be than in the case of auctioneers, had not long familiarity with the licensing of

the latter led us to accept it without question. What business or occupations so far affect the public welfare and good order as to require to be licensed, is a matter of legislative consideration and control, which, when exercised in good faith, is outside of the jurisdiction of the courts.

The ordinance in the present controversy rests upon the authority of the act of May 23, 1874, § 20, cl. 4 (P. L. 239), which in express terms confers on cities of the third class power "to levy and collect license tax on auctioneers, . . . bankers," etc. As already said, the good faith of the ordinance as an exercise of the delegated authority, and the reasonableness of the amount for the lawful purpose, not being questioned, we cannot go behind the clear statutory grant of power. The act of June 30, 1885, § 3 (P. L. 193), provides that, as to any bank electing to pay into the State treasury a tax of six-tenths of one per centum upon the par value of all its shares, "the shares and so much of the capital and profits . . . as shall not be invested in real estate, shall be exempt from all other taxation under the laws of this commonwealth." The word "taxation" here is used in its ordinary and proper meaning of a charge for the support of the State, or some of its subordinate municipal agencies, and clearly does not refer to a charge merely incidental to the exercise of the police power. The act does not, therefore, exempt banks from the power of cities to impose a license tax under the act of 1874, and the learned judge below was right in so holding.

A distinction, however, has been made here, to which the learned judge does not refer in his opinion, and to which his attention was probably not called. The judgment is for the license tax for the years 1886 to 1890, inclusive. As already said, banks are not intrinsically and obviously subjects of license under the police power by the common law of this State. They become such by statute only, and the license fees recovered in the present case rest on the authority of the act of 1874. But that act was supplied and repealed by the act of May 23, 1889 (P. L. 277). The act of 1874 confers the taxing powers for revenue in clauses 1-3, § 20 (P. L. 238), the license tax power in clause 4, and then, in the following clauses, enumerates expressly the most usual and important police powers over tippling houses, games and gambling houses, sanitary and quarantine regulations, etc. In this act the licensing of banks is apparently intended to be classed under police powers. The act of 1889, however, enumerates and classifies the various municipal powers more fully and more accurately. Article 5, § 3, cls. 1-3, Act 1889, follow closely the language of clauses 1-3, § 20, Act 1874, and clause 4, like that of the prior act, relates to license taxes, but makes this important change in the language, "to levy and collect, for general revenue purposes, a license tax," etc., enumerating many kinds of business and occupation, but significantly omitting shows, theatres, etc., included in the corresponding section of the act of 1874. Then follow a number of clauses relating also to the revenue, as power to borrow money, to fund indebtedness, rates of interest, etc., and it is not until clause 16 that the usual police powers are reached, among which, in clause 25, is included the power "to license and collect license tax from skating rinks, theatres," etc. By the express language of clause 4, above referred to, the authority given to cities by this act to license bankers is for general revenue, and, as if to emphasize the change of legislative purpose, the grant is transferred from its previous place in the enumeration of police powers to a place among the powers of taxation for revenue. It is therefore unquestionably a tax in the general sense, and we have to consider whether appellant is exempted from it by the acts of June 30, 1885, and June 1, 1889. Of this there can be no doubt. The language of the act

of 1885 (section 3) has already been quoted. It exempts from "all other taxation under the laws of this commonwealth." The words could not be broader. They apply not only to taxation for State, but also for local purposes, and that they were intended to do so is clear from the exception of capital, etc., "not invested in real estate." It is matter of public history that there was no State tax on real estate in 1885, or for many years prior, and, if exemption from local taxation was not intended, it is hardly supposable that the Legislature would have inserted an entirely unnecessary and useless clause. But to put the matter beyond all possible question, Act June 1, 1889, § 25 (P. L. 433), changes the language previously used, and makes the exemption "from local taxation, under the laws of this commonwealth." The result, therefore, is that banks are only subject to license tax by municipalities by virtue of express legislative authority; that the only authority shown in cities of the third class since the act of 1889 is to license as a tax for revenue purposes; and that as to such tax the appellant was exempt during the years 1889 and 1890. The judgment must therefore be reversed as to these years, but, as the facts are all set out in the point reserved, we can enter the proper judgment without the delay and expense of a new trial. Judgment reversed, and now judgment entered for plaintiff below for the license tax for the years 1886, 1887 and 1888; costs of this appeal to be paid by appellee.—*Atlantic Reporter*.

BILLS OF EXCHANGE ARE GOVERNED BY THE LAW OF WHICH STATE.

CIRCUIT COURT OF APPEALS, SIXTH CIRCUIT.

Farmers' Nat. Bank of Valparaiso, Ind., v. Sutton Manuf'g Co.

A bill of exchange drawn in Indiana, accepted in Michigan, to be discounted in Indiana and paid in Michigan, is an Indiana contract, and the liability thereon is to be determined by the law of that State. *Tilden v. Blair*, 21 Wall. 241, followed.

An acceptance of a bill of exchange with interest after maturity, and attorneys' fees, is a contract to pay a sum certain at maturity, and is therefore negotiable, for the provisions as to interest and attorneys' fees become operative only after maturity.

Rev. St. Ind. 1881, § 5,518, providing that all agreements in a bill of exchange or other written evidence of indebtedness to pay attorneys' fees upon "any condition therein set forth" are void, does not render void an agreement to pay attorneys' fees on the implied condition that they shall be payable only in case of dishonor. *Churchman v. Martin*, 54 Ind. 380, followed.

How. Ann. St. Mich. c. 124, providing in general terms that it shall not be lawful for any corporation to divert its operations to any other purpose than that set forth in the articles of association, is merely declaratory of the common law, and under it a corporation accepting a bill of exchange without consideration, merely for the accommodation of the drawee, is bound with respect to a *bona fide* indorsee for value before maturity.

The Federal Courts, when called upon to construe the general commercial law of Indiana in respect to a question which is a new one in the Federal Courts, should give weight to the Indiana decisions, although they are not absolutely bound thereby. *Burgess v. Seligman*, 2 Sup. Ct. Rep. 10, 107 U. S. 20, followed.

In Error to the Circuit Court of the United States for the Eastern District of Michigan.

Action by the Farmers' National Bank of Valparaiso, Ind., against the

Sutton Manufacturing Company to recover a bill of exchange accepted by the defendant. Judgment for defendant. Plaintiff brings error.

The action in the court below was in assumpsit by the Farmers' National Bank of Valparaiso, Ind., as the indorsee of a bill of exchange against the Sutton Manufacturing Company of Detroit, Mich., as acceptor of the bill for the amount of the bill and interest. The bill was as follows:

"\$2,000. OFFICE OF HOPPER LUMBER & MANUFACTURING CO., SUCCESSORS TO J. S. HOPPER & SONS, WHOLESALE LUMBER DEALERS.

"MICHIGAN CITY, INDIANA, June 4. 1890.

"Ninety days after date, pay to the order of Hopper Lumber & Manufacturing Co. two thousand dollars, with interest at the rate of eight per cent. per annum after maturity, and attorneys' fees, without any relief from valuation or appraisement laws. Value received, and charge to account of

"HOPPER LUMBER & MANUFACTURING CO.

"Per J. S. HOPPER, Pres.

"To the Sutton Manufacturing Co., Room 40, Hodges Building, Detroit, Mich.

"Due Sept. 5th."

Written on the face of note:

"Accepted. Pay at Michigan Savings Bank.

"THE SUTTON MANUFACTURING CO.

"Per HENRY S. HOPPER, Treas."

Protested for non-payment September 5, 1891.

Indorsed on back of note:

"HOPPER LUMBER & MANUFACTURING CO.

"Per J. S. HOPPER, Pres.

"Pay to G. F. Bartholomew, cashier, or order.

"C. E. ARNDT, Cashier."

C. E. Arndt was the cashier of the Citizens' National Bank of Michigan City, Ind., and G. F. Bartholomew was the cashier of the plaintiff bank. J. S. Hopper was president of both the Hopper Lumber & Manufacturing Company of Michigan City, and of the Sutton Manufacturing Company of Detroit, and Henry S. Hopper, his son, was the secretary of both companies. The Sutton Manufacturing Company was a solvent and prosperous concern, engaged in the manufacture of pails and buckets and smaller wooden ware. The Hopper Manufacturing Company was a new enterprise, engaged in making refrigerators and furniture specialties. The Sutton Manufacturing Company was a corporation organized under the general laws of Michigan, as contained in chapter 124 of Howell's Annotated Statutes of Michigan, the fourth section of which (Comp. § 4,130) reads as follows:

"The stockholders of every corporation formed under this act shall . . . distinctly and definitely state in said articles (of association) the purpose for which every such corporation shall be established, and it shall not be lawful for said corporation to divert its operations, or appropriate its funds, to any other purpose except as hereinafter stated."

The acceptance sued upon was given for the accommodation of the Hopper Lumber & Manufacturing Company, and was without any consideration moving to the Sutton Company. The bill was drawn by J. S. Hopper, at Michigan City, Ind., and sent to his son, Henry S. Hopper, the secretary and treasurer of the Sutton Company, at Detroit. Henry accepted it, and returned it to his father, at Michigan City, who procured the note to be discounted by the Citizens' National Bank of Michigan City. The evidence on the trial was conflicting upon the

point whether the officers of the Citizens' Bank knew that this bill was accommodation paper, or knew that the Hoppers, father and son, filled the same offices in both companies. It was undisputed, however, that the plaintiff was a *bona fide* purchaser of the bill without notice and for value before maturity. At the conclusion of the evidence the court below directed the jury to return a verdict for the defendant on two grounds: First, that the acceptance sued on, being without consideration, was beyond the power of the defendant company to make, and was void; and, second, that the bill was not a negotiable instrument, and it was therefore open to the defendant to show that it was without consideration. A writ of error was sued out by the plaintiff to the judgment for defendant, and the error assigned was the direction of the court to the jury.

Taft, Circuit Judge (after stating the facts.): This judgment must be reversed. We cannot agree that either of the grounds upon which the learned judge directed a verdict for the defendant was well taken.

1. The feature of the bill which in the opinion of the court below destroyed its negotiability was the stipulation to pay attorneys' fees. It was said that this rendered the amount due uncertain, and that certainty in the amount due was an essential of negotiable paper.

The bill was drawn in Indiana and accepted in Michigan, to be discounted in Indiana, and to be paid in Michigan. In *Tilden v. Blair*, 21 Wall. 241, Pelton, a resident of Chicago, drew a draft payable in 60 days, and sent it to Tilden and Co., a firm resident in New York State, for their acceptance. They accepted it without consideration, and returned it to him for the purpose of enabling him to have it discounted in Chicago. The draft was made payable in New York City. The Supreme Court held that the draft was an Illinois contract, and that the liability of the acceptors to a *bona fide* purchaser for value before maturity was to be determined by the law of Illinois, and not by that of New York. The case cited and the one at bar are on all fours, and the contract here must accordingly be held to be an Indiana contract, the liability on which is to be determined by Indiana law. Except so far as the rights of the parties are affected by statute the question is one of general commercial law, but it is the general commercial law of the State of Indiana. Upon such questions courts of the United States, in exercising a jurisdiction concurrent with that of the State Courts, have always asserted an independence of judgment as to the State law, even if they differ with the State Supreme Court. But where the question is a new one with the Federal Courts it is their rule, as it is their duty, to give weight to the decisions of the Courts of the State, whose law they are administering. (*Burgess v. Seligman*, 107 U. S. 20, 2 Sup. Ct. Rep. 10, and authorities cited on page 34, 107 U. S., and page 22, 2 Sup. Ct. Rep.)

The contract of acceptance is, by the face of the bill, to "pay . . . two thousand dollars, with interest at the rate of 8 per cent. per annum after maturity, and attorneys' fees, without any relief from valuation or appraisement laws." The stipulation as to interest expressly applies only in case the bill is not paid at maturity. The provision as to valuation and appraisement laws can, in view of the operation of such laws, have reference only to the execution of a judgment or attachment on suit brought, and is therefore also applicable only in case the bill is not paid at maturity. On the principle of *noscitur a sociis* it clearly follows that the agreement to pay attorneys' fees could only become operative after the bill had been dishonored. Such would be the reasonable interpretation of the contract without the aid of the other stipulations, for it is not usual or necessary to employ attorneys to collect bills before

they are due. In *Proctor v. Baldwin*, 82 Ind. 377, it was held by the Supreme Court of Indiana that in a promissory note in which the maker agreed to pay an amount certain, "with 10 per cent. interest and attorneys' fees," the condition was implied that only such attorneys' fees could be charged against the maker as were incurred after dishonor. That was a stronger case than this. In *Maxwell v. Morehart*, 66 Ind. 301, the words, "with interest at 10 per cent. per annum after maturity and attorneys' fees," were similarly construed. (See, also, *Garver v. Pontious*, *Id.* 191.)

Lest it may be supposed to have escaped our attention, a statute of Indiana, which took effect March 10, 1875 (section 5,518, Revised Statutes of Indiana, 1881), should be noticed in this connection. It reads as follows:

"*Attorneys' Fees.*—Any and all agreements to pay attorneys' fees upon any condition therein set forth, and made a part of any bill of exchange, acceptance, draft, promissory note, or other written evidence of indebtedness, are hereby declared illegal and void: provided, that nothing in this section shall be construed as applying to contracts made previous to the taking effect of this act."

Our construction of the bill in suit is that the attorneys' fees therein provided are payable only on condition of non-payment of the bill at maturity, and this might seem to bring the stipulation within the inhibition of the section just quoted. That the section is not to be regarded as having such effect is authoritatively settled by the Supreme Court of the State in *Churchman v. Martin*, 54 Ind. 380, where it was held that a stipulation to pay the amount of the note "and 5 per cent. attorneys' fees," was not void under the statute, although there was an implied condition that they should only be payable in case of dishonor, because the statute only forbade such stipulation when the condition was expressed in the instrument. As the condition is not expressed in the bill in suit, but is implied, the statute does not apply to it.

The law of bills of exchange, established as it has been by ancient usage, is frequently arbitrary, and not deducible from logical considerations. Upon the point at issue here, however, the authorities are in such hopeless conflict that we are able to select that view which seems to us most consistent with the general character of such instruments. The indispensable qualities of a bill of exchange are that it shall be payable in a sum certain, at a time certain, to a person certain. It is intended to be a circulating medium until maturity. For this purpose every purchaser must know exactly what will be or ought to be paid on it at maturity. It only has currency on the hypothesis that it is to be paid at that time. If the sum then to be paid is fixed and certain, we do not see why that is not sufficient. A stipulation as to what shall be done in case the bill is not paid does not affect its character as a financial medium before it is dishonored. As soon as the bill is dishonored, it loses its value as a negotiable instrument, for thereafter an indorsee gains no better title than his transferor. It is unreasonable to hold that the negotiability of a bill is lost because of a provision having no effect while it remains negotiable.

As already intimated, it is impossible to reconcile the authorities. For the reasons given we prefer to follow those courts which hold that the agreement to pay attorneys' fees after maturity does not destroy the negotiability of a bill of exchange. We are the more inclined to do so because we are considering an Indiana contract, and this view has been established as the law of that State in a series of decisions, beginning with *Stoneman v. Pyle*, 35 Ind. 103. The other cases are *Proctor v. Baldwin*, 82 Ind. 377; *Tuley v. McClung*, 67 Ind. 10; *Maxwell v. Morehart*, 66

Ind. 301; *Smock v. Ripley*, 62 Ind. 81; *Hubbard v. Harrison*, 38 Ind. 323.

The Court of Appeals of Kentucky reached the same conclusion in *Gaar v. Banking Co.*, 11 Bush 186; the Supreme Court of Iowa in *Sperry v. Horr*, 32 Iowa 185; the Supreme Court of Kansas in *Seaton v. Scovill*, 18 Kan. 434; and the Supreme Court of Illinois in *Nickerson v. Sheldon*, 33 Ill. 372, and in *Houghton v. Morrison*, 29 Ill. 244. Judge Pardee, of the Fifth Circuit, in *Adams v. Addington*, 16 Fed. Rep. 89, and Mr. Justice Brewer, while circuit judge, in *Hughitt v. Johnson*, 28 Fed. Rep. 865, expressed the same views. Other authorities to the same effect are *Trader v. Chidester*, 41 Ark. 242; *Heard v. Bank*, 8 Neb. 10; *Dietrich v. Bayhi*, 23 La. Ann. 767; *Howenstein v. Barnes*, 5 Dill. 482; *Bank v. Fivvua* (Sup. Ct. Mont.), 28 Pac. Rep. 291. (See, also, *Towne v. Rice*, 122 Mass. 67, and *Arnold v. Railroad*, 5 Duer 207.) The contrary decisions in Dakota, Minnesota, Wisconsin, Missouri, South Carolina, North Carolina, California, Pennsylvania, Maryland, and Michigan, it would be useless to consider or attempt to distinguish.

2. The remaining question is whether the Sutton Manufacturing Company can avoid their acceptance in the hands of a *bona fide* purchaser for value before maturity on the ground that it was *ultra vires*.

The evidence shows conclusively that Henry S. Hopper, the secretary and treasurer, had full and general authority to sign and issue business paper on behalf of the corporation. The only limitation of his authority was the same as that upon the corporation itself, namely, the extent of its charter powers.

Every one dealing with a corporation is charged with notice of its corporate powers. If, therefore, a reference to the charter shows a seeming act of the corporation to be beyond its powers, it is void, and cannot be made the basis of any claim of liability against the corporation. But there are acts that may or may not be within the charter powers, their lawful character being dependent on the existence of a fact which cannot be known from the act itself. If the extrinsic fact upon which depends the lawful character of the act is one peculiarly within the knowledge of the general agent of the corporation by whom the act is done, the act itself is an implied representation that the necessary fact exists, the truth of which the corporation is estopped to deny against any person who, in dealing with the corporation, has parted with value on the faith of it. The principle has been frequently applied in cases of commercial paper issued in the name of the corporation by its officers having general authority to issue such paper.

A leading case is that of *Stoney v. Insurance Co.*, 11 Paige 635. Chancellor Walworth there decided that a negotiable security of a corporation which upon its face appeared to have been duly issued by the corporation, and in conformity with the provisions of its charter, is valid in the hands of a *bona fide* holder thereof without notice, although such security was in fact issued for a purpose and at a place not authorized by the charter of the company, and in violation of the laws of the State where it was actually issued. (See, also, to the same effect, *Farmers & Mechanics' Bank v. Butchers & Drovers' Bank*, 16 N. Y. 125; *Rissell v. Railroad Cos.*, 22 N. Y. 289; *Mechanics' Banking Ass'n v. New York & S. White Lead Co.*, 35 N. Y. 505; *Bank v. Young* (N. J. Err. & App.) 7 Atl. Rep. 488; *Wright v. Line Co.*, 101 Pa. St. 204; *Water Co. v. DeKay*, 36 N. J. Eq. 548; *Credit Co. v. Howe Mach. Co.*, 54 Conn. 357, 8 Atl. Rep. 472; *Gelpcke v. City of Dubuque*, 1 Wall. 203; *Genesee County Sav. Bank v. Michigan Barge Co.*, 52 Mich. 438, 18 N. W. Rep. 206; *Bird v. Daggett*, 97 Mass. 494.)

The learned judge below held that these authorities did not apply, because of the General Statutes of Michigan, above referred to, making it

unlawful to divert the operations or to appropriate the funds of a corporation to purposes not set forth in the articles of association.

In his view this statutory denunciation of *ultra vires* acts renders accommodation paper absolutely void. We cannot agree with him. The general terms of the statute indicate that it was in this respect merely declaratory of the common law. If the Legislature of Michigan had intended to establish a rule of liability for corporations of that State different from that applied to corporations everywhere else, it would have used more specific language, so that its purpose could not be misunderstood.

Negotiable instruments having their origin in a transaction forbidden by statute are not void in the hands of a *bona fide* holder for value without notice unless the statute expressly declares them to be void. (Chit., Bills, 95; Story, Prom. Notes, § 192; Daniel, Neg. Inst., § 188; *Norris v. Langley*, 19 N. H. 423; *Bank v. Thompson*, 42 N. H. 369; *Converse v. Foster*, 32 Vt. 828, 831; *Wyatt v. Bulmer*, 2 Esp. 538.)

Here is not a specific avoiding of accommodation paper issued by corporations, and we think it would be going much too far to give such effect to the very general language under consideration.

In *Bird v. Daggett*, 97 Mass. 494, it was held that where an agent of a corporation, duly authorized to sign all notes and business paper, unlawfully gave accommodation paper in the name of the company, the company was liable to a *bona fide* holder for value before maturity. The General Statute of Massachusetts, like the Michigan statute, provided that it should be unlawful for it to divert its operations or appropriate its funds to other purposes than those set forth in its articles of association. The case is exactly like the one at bar.

The Michigan cases cited do not meet the point. In *Beecher v. Dacey*, 45 Mich. 98, 7 N. W. Rep. 689, the making of accommodation acceptances was said not to be within the powers of the corporation, but there was in that case no question of the rights of a *bona fide* holder for value. The same is true of the cases of *McLellan v. File Works*, 56 Mich. 582, 23 N. W. Rep. 321, where the court held that the plaintiff had notice of facts from which he ought to have inferred the real character of the paper. The case of *Merchants' Nat. Bank v. Detroit Knitting & Corset Works*, 68 Mich. 620, 36 N. W. Rep. 696, seems to be based wholly on *McLellan v. File Works*, and turned on the question of the general authority of the agent signing the acceptance. The statute and its effect are not considered at all.

The judgment of the Circuit Court is reversed, with instructions to order a new trial.—*Federal Reporter*.



ASSIGNMENT OF DEPOSIT.

COURT OF APPEALS OF NEW YORK.

First National Bank of Union Mills v. Clark.

The giving of a check by a bank depositor for the full amount of the deposit does not operate as an assignment to the holder of the check, so as to enable him to enforce payment thereon against the bank prior to its acceptance of the check.

A deposit slip issued by a banker, acknowledging the receipt of the amount of money therein named, is intended merely to furnish evidence, as between the depositor and the bank, that on a given day there was deposited a given sum, and not that such sum remains on deposit; and hence the delivery of the deposit slip to a third person by the depositor does not operate as an assignment of the deposit.

A conversation between a bank depositor and a third person, to whom he had delivered the deposit slip, and in whose favor he had drawn a check for the amount, in which he stated that the deposit would not be available for ten days, and that he wanted the check discounted immediately, which was accordingly done, and the money paid him by such third person, does not, as matter of law, operate as an assignment of the deposit to such third person; and a finding by the jury that it did not will not be disturbed on appeal.

In an action by the holder of a check against a bank which had refused payment on the ground that the drawer had no funds on deposit, evidence by plaintiff's agent that the bank had refused him permission to inspect its books, for the purpose of ascertaining whether the drawer was in funds, renders admissible the books of the bank to show that in fact there were no funds, and to thus overcome any inference that might be drawn against the bank from its refusal to permit the inspection.

PARKER, J.—John Sliney, of the firm of Sliney & Whelan, on December 5, 1882, gave to the plaintiff a deposit slip, of which the following is a copy: "Deposited by Sliney & Whelan with Judson H. Clark, banker, Scio, N. Y., December 5, 1882. Discount. \$3,412.50. F. M. BABCOCK." Babcock was in the employ of Judson H. Clark, and acted as his cashier. At the same time Sliney made and indorsed in the firm name, and delivered to the plaintiff, a check, which reads as follows: "Scio, N. Y., December 5, 1882. Judson H. Clark, banker: Ten days after date pay to the order of Sliney & Whelan three thousand four hundred and twelve and fifty one-hundredths dollars. \$3,412.50. SLINEY & WHELAN." The plaintiff thereupon paid to Sliney the amount called for by the check, less 13 days' interest thereon and exchange. December 7th the plaintiff put the deposit slip and check together, and sent them by mail to the defendant, who, on or immediately after December 15th, the day on which the check was made payable, returned the same to the plaintiff, with a letter advising that there were no funds to meet the check. Subsequently plaintiff demanded payment of the defendant, which was refused, and this action was thereupon begun.

The defendant's denial of liability was placed on two grounds: (1) That Sliney & Whelan did not have on deposit with him on December 5th; or at any time following, any sum of money whatever; (2) that Sliney & Whelan's pretended claim against the defendant was not assigned to the plaintiff. On the trial, testimony on the part of the plaintiff was presented, tending to show that on December 5th the defendant discounted a note for \$3,500, made by Knox Bros., and indorsed by Sliney & Whelan, but with the understanding that the deposit should not be drawn against for ten days, and the deposit slip given to Sliney represented the amount of the note, less the discount agreed upon. Defendant testified that he told Sliney that he was not in a situation to

discount the note then, and Babcock, his cashier, testified that Sliney informed him that defendant, Clark, said he should leave the note there, as he might be able to discount it in the future, and to figure "the discount, and put it on a deposit slip," which was done. But we need not discuss the evidence in that regard, as the court was not asked to direct a verdict in favor of the defendant, and the jury were instructed to determine whether the fact was as claimed by the plaintiff or as asserted by the defendant. To such submission no exception was taken, and necessarily it cannot now be urged that the jury should not have passed on the question. The court instructed the jury that, if they should find that the defendant did not discount, or agree to discount, the note for Sliney & Whelan, then their verdict should be for the defendant; but should they find for the plaintiff on that proposition, then they should go further, and consider whether that which took place between the plaintiff and Sliney amounted to an assignment of Sliney & Whelan's claim against the defendant; for, if it did not, the plaintiff could not recover. The plaintiff excepted to the charge in such respect, and also to the refusal of the court to charge the following request: "That there was no dispute as to what took place between Sliney & Whelan and the plaintiff at plaintiff's bank at the time of the delivery of the papers, and that what took place there amounted to an assignment to the plaintiff." As the verdict may have been put on the ground that there was no assignment to the plaintiff, we are required to consider whether the exceptions to which reference has been made were well taken. We are thus conducted to an inquiry embracing all the details of the transaction which resulted in plaintiff's paying over to Sliney & Whelan the face of the check, less interest and exchange.

We will first consider whether the giving of the check by Sliney & Whelan to the plaintiff for the full amount of the deposit operated as an assignment of the debt. Assuming that Sliney & Whelan were depositors with the defendant, the money after deposit made belonged to the defendant. Sliney & Whelan's right was a chose in action. The implied engagement on the part of a banker to pay the checks of his depositor does not inure to the benefit of the holder of a check, so as to enable him to enforce payment thereon against the bank prior to its acceptance. In the absence of assent by the depository, the giving of a check by a depositor does not operate as a transfer or assignment of the debt created by making a deposit. (*Harris v. Clark*, 3 N. Y. 93; *Chapman v. White*, 6 N. Y. 412; *Ætna Nat. Bank v. Fourth Nat. Bank*, 46 N. Y. 87; *Duncan v. Berlin*, 60 N. Y. 151; *Risley v. Bank*, 83 N. Y. 318.) Here there was not an acceptance by the banker. On the contrary, he refused to accept it; and it follows that the check did not operate to transfer the debt. Neither did the delivery of the deposit slip have that effect. The appellant calls it a "certificate of deposit," but such designation is not accurate. It is in fact what the witnesses for both plaintiff and defendant assert it to be—a deposit slip or deposit check. The use of the deposit slip is well understood. It constitutes an acknowledgment that the amount of money named therein has been received. It is a receipt, and nothing more. No promise is made to pay the sum named on return of the paper, nor is it expected, either by the depositor or depository, that it will ever be presented to the bank again, unless a dispute should arise as to the amount of deposit, in which event it would become important as evidence. It is not intended to furnish evidence that there remains money in the bank to the credit of a depositor, but to furnish evidence, as between depositor and depository, that on a given date there was deposited the sum named. It may all, or nearly all, be checked out at the moment of making the deposit slip, but the depositor

will not be refused it on that account, for long-established usage has fixed its *status* in banking as a mere receipt—an acknowledgment that the depositor placed the amount named therein on deposit. It is not proof of liability, and it will not support an action against the bank. (*Hotchkiss v. Mosher*, 48 N. Y. 482; 2 *Daniel, Neg. Inst.*, § 1,704.) Should a suit be brought on the debt, however, it would furnish evidence as to time of deposit and amount; but it has no other use, unless it be to assist in the settlement of a dispute out of court. The delivery of the deposit slip, therefore, did not operate to assign the debt. There was no writing made or delivered to the plaintiff other than the check and deposit slip, both of which we have already considered. An assignment of a debt due may, of course, be made by oral agreement, and, if founded on a valuable consideration, vests in the assignee a right to proceed in his own name to collect it (*Risley v. Bank*, 83 N. Y. 318); and the delivery by a creditor of a check upon his debtor for the whole or a part of a debt does not preclude the payee from showing a parol contract, aside from the check, to transfer the debt itself. (*Throop Grain Cleaner Co. v. Smith*, 110 N. Y. 83-88, 17 N. E. Rep. 671.) But in the conversation had between Sliney and the plaintiff's cashier the debt was not in terms alluded to as intended to be assigned or transferred. The cashier testified, in part, that Sliney "produced the deposit check, and told me he had that much money in Clark's bank; that it would not be available for ten days, as he had agreed to wait, and he wanted to use the money that day. He drew a check on Clark's bank, and wished to have us discount those papers, and let him have the money, which we did, and paid him the money." To assume that all of the evidence on that subject, considered together, would support a finding of fact that Sliney & Whelan intended to transfer, and the plaintiff intended to acquire, the debt, is to adopt a view of the evidence as favorable to the plaintiff as is authorized. That is precisely what the trial court did, in submitting the question to the jury for their determination. The plaintiff, therefore, cannot complain of the action of the court in that regard.

The defendant produced in court the books of the bank in use at the time of the alleged discount, including the book of "Bills Discounted," and was permitted to show that it did not contain an entry of discount of the note in question. Objection was made by the plaintiff, and an exception taken to the adverse ruling of the court. But we shall not pass on the abstract question presented, because we do not deem the objection available to the plaintiff, in view of certain testimony presented by it earlier in the trial. The plaintiff called as a witness a lawyer whom it sent to the defendant to make a demand for payment, who related conversations had on that occasion with the defendant and his cashier, Babcock. Among other things, he testified that while in the bank "I spoke to Babcock about seeing the books. Babcock invited me in, and we had a general conversation in regard to Sliney & Whelan, and I asked him if they had any objections to my seeing them. He said 'No'; but I had better see Mr. Clark; he would rather have Mr. Clark assent before he showed it to me. He did not let me see the books, and I did not see them." This testimony had no direct bearing on the questions in issue, and we can perceive no other object for its introduction than the expectation that the refusal to allow plaintiff's attorney to examine the books would leave upon the minds of the jury the impression that they contained entries tending to support plaintiff's contention that the note was in fact discounted on December 5th. Nor could the plaintiff's counsel have been prevented thereafter from insisting in his argument before the jury that the conduct of Babcock in such respect was a significant fact, which should receive due consideration by them

in determining whether Sliney or Clark and Babcock gave the true version of the transaction. Thereafter it was proper for the defendant to destroy the effect of this testimony by the introduction of the books, from which it appeared that, had the plaintiff's attorney been permitted to examine them, he would not have discovered any evidence bearing against the defendant's contentions.

†. There are no other exceptions requiring consideration. The judgment should be affirmed. All concur, except Bradley and Haight, J. J., not sitting.—*Northeastern Reporter*.

TAXATION.

SUPREME COURT OF NEW JERSEY.

State (De Baun, Prosecutor) v. Smith, Township Collector.

Stock in a corporation of a foreign State, owned by a citizen of this State, upon which taxes have been actually assessed in the foreign State, and paid by the corporation, within twelve months before the day prescribed by law for commencing the assessment of taxes in this State, is exempt from taxation in this State.

Stock in a National banking association located in another State cannot be taxed under the laws of this State.

DIXON, J.—The prosecutor was assessed in the township of Washington, Bergen County, where he resides, for the taxes of 1891, upon 100 shares of stock in the Delaware & Hudson Canal Company, a corporation of the State of New York, having its principal place of business in New York City, and upon thirteen shares of stock in the National Bank of Commerce, a banking association organized under the Federal statutes, and located in the city of New York. The object of his suit is to be relieved from this assessment. It appears by proof that upon the stock of the canal company taxes were actually assessed in the city of New York, and paid by the company, within twelve months next before the day prescribed by the laws of this State for commencing the assessment for the taxes of 1891. According to section 5 of our tax act of April 11, 1866 (Revision, p. 1,150), the prosecutor's stock in that company was therefore exempt from taxation. (*Smith v. Ramsey*, (N. J. Sup.) 24 Atl. Rep. 445.) The Federal statute for the organization of banking associations permits shares in them to be taxed under authority of the State within which the bank is located, and expressly provides that shares owned by non-residents of the State may be taxed in the city or town where the bank is located, and not elsewhere. This statute, by fair construction, excludes all State taxation of the shares of stock, except such as it expressly permits, and this exclusion is constitutional and valid. (*Van Allen v. Assessors*, 3 Wall. 573; *Bank v. City of Newark*, 39 N. J. Law. 380.) Consequently shares of stock in a National banking association cannot be taxed by any State except that within which the bank is located. They are withdrawn from taxation under the authority of other States. (*Tappan v. Bank*, 19 Wall. 490.) The taxes complained of must be set aside, with costs.—*Atlantic Reporter*.

SPECIAL DEPOSITS

CIRCUIT COURT, S. D. CALIFORNIA.

San Diego County v. California National Bank.

Where the treasurer and tax collector of a county, without authority of law, deposit county moneys in a bank, and receive certificates of deposit marked "Special," the title to the moneys does not pass, although there is no agreement that the identical bills shall be returned, and they are mixed with the bank's general funds, and the county is entitled to recover an equal amount from a receiver of the bank prior to the payment of the general depositors.

The county's rights in such case are enforceable only by a bill in equity, for there is no privity of contract between it and the bank. (*National Bank v. Insurance Co.*, 104 U. S. 54, followed.)

ROSS, District Judge: This suit was originally brought in the Superior Court of San Diego County against the defendant bank, a National bank organized under and pursuant to the laws of the United States, and which became insolvent and suspended payment on the 11th day of November, 1891, and against Fredrick N. Pauly, the duly appointed and acting receiver of the assets and property of the bank, on whose motion the suit was transferred to this court. The complainant is a municipal corporation of the State of California, and by its bill charges that on the 15th day of August, 1891, its then duly elected, qualified, and acting treasurer, C. R. Dauer, made with the defendant bank a deposit of the moneys of the complainant then in his custody as such treasurer, of \$5,975.70, lawful money of the United States, and took from the bank a certificate of deposit therefor, in the words and figures following, to wit:

"5,975.70 The California National Bank.

"Dollars.

"San Diego, Cal., August 13, 1891.

"No. 6,700.

Special. "C. R. Dauer, Co. Treas., has deposited in this bank five thousand nine hundred seventy-five and seventy one hundredths dollars, payable to the order of same, on return of this certificate properly indorsed.

"G. N. O'BRIEN, Cashier."

Other similar deposits by Dauer, as such county treasurer, aggregating \$10,000 additional of complainant's money, are also alleged, for which similar certificates of deposit are alleged to have been issued by the bank, and taken by the treasurer. The bill further charges that on the 2d of November, 1891, the then duly elected, qualified, and acting tax collector, H. W. Weineke, of the county complainant, made with the defendant a deposit of the moneys of the complainant then in his custody as such collector, of \$6,114.85, lawful money of the United States, and took from the bank its certificate of deposit therefor, in the words and figures following, to wit:

"6,114.85

The California National Bank.

"Dollars.

"San Diego, Cal., November 2, 1891.

"No. 6,891.

Special. "H. W. Weineke, Tax Coll'r, has deposited in this bank six thousand one hundred fourteen and eighty-five one hundredths dollars, payable to the order of same, on return of this certificate properly indorsed.

"G. N. O'BRIEN, Cashier."

Other similar deposits by Weineke, as such county tax collector, aggregating \$20,000 additional of complainant's money, are also alleged, for which similar certificates of deposit are alleged to have been issued by the bank, and taken by the tax collector. The bill further alleges that between the 2d and 10th days of November, 1891, the aforesaid tax collector of complainant made with the defendant bank deposits of the moneys of the complainant then in his hands as such collector, in various amounts, aggregating \$24,532.75, for which no certificates of deposit were taken by him. It is averred that all of the moneys so deposited by the treasurer and tax collector of the complainant county were held by its officers in trust for the complainant, and were deposited by them, and received by the bank, without authority of law; that the deposits were made by the officers named, for safe keeping; that the bank knew at the time that the moneys so deposited were the moneys of the complainant, held by the treasurer and tax collector, respectively, as public officers, and in trust for the complainant; and that each of the certificates issued therefor was indorsed "Special," because of the fact that the moneys were public and trust funds. It is alleged that no part of the moneys so deposited has been repaid, except the sum of \$2,453.27; that the defendant receiver has, since his appointment, received of the assets of the bank a sum sufficient to pay and satisfy the amounts deposited by the treasurer and tax collector, but refuses to pay the same to complainant; that there is not sufficient moneys or assets of the bank to pay its indebtedness in full; and that the receiver is about to, and will, unless restrained from so doing, apply a part of the funds now in his hands, and alleged to belong to complainant, to the payment of the general indebtedness of the bank, thus depriving complainant of its alleged right to receive the amount of its funds in full.

The defendants, by demurrer, urge two objections to the bill: *First*, that complainant has a plain and adequate remedy at law; *second*, that the bill contains no equities entitling complainant to any relief against the defendants, or either of them. It is very clear that if the bill states a cause of action at all it is of an equitable nature, and enforceable in a court of equity only. A similar point was raised in the case of *National Bank v. Insurance Co.*, 104 U. S. 54. In that case one Dillon was the agent of the insurance company. He kept an account with the bank; the account was entered on the bank books with him as general agent. As agent of the insurance company he collected, and it was his duty to remit the premiums. In the course of his dealings with the bank he borrowed money on his personal obligation. Finally, the bank sought to appropriate his deposits to the payment of this debt. The insurance company filed its bill in equity to recover the amount of those deposits, as equitably belonging to it. The fact that they were premiums received for the insurance company was shown. The court said:

"It is objected that the remedy of the complainant below, if any existed, is at law, and not in equity. But the contract created by the dealings in a bank account is between the depositor and bank alone, without reference to the beneficial ownership of the moneys deposited. No one can sue at law for a breach of that contract except the parties to it. There was no privity created by it, even upon the facts of the present case, as we have found them between the bank and the insurance company. The latter would not have been liable for an overdraft by Dillon, as was decided by this court in *National Bank v. Insurance Co.*, 103 U. S. 783; and, conversely, for the balance due from the bank no action at law upon the account could be maintained by the insurance company. But, although the relation between the bank and its depositor is that merely of debtor and creditor, and the balance due on the account is

only a debt, yet the question is always open, 'To whom, in equity, does it beneficially belong?' If the money deposited belonged to a third person, and was held by the depositor in a fiduciary capacity, its character is not changed by being placed to his credit in his bank account."

(See, also, *Bank v. Gillespie*, 137 U. S. 411, 11 Sup. Ct. Rep. 118; *Bank v. Walker*, 130 U. S. 267, 9 Sup. Ct. Rep. 519.)

In the present case, not only did the defendant bank, according to the averments of the bill, have knowledge that the depositors of the moneys in question were, at the time of such deposits, officers of the complainant county, and that the moneys so deposited belonged to the complainant, and were therefore held by the officers depositing the same in trust for the county, but the bank is chargeable with notice of the fact that the law of the State made it illegal for those officers to make, or the bank to receive, such deposits. (*Yarnell v. City of Los Angeles*, 87 Cal. 603, 25 Pac. Rep. 767.)

The bank, therefore, acquired no title to the moneys so deposited, as against the complainant, and they continued impressed with the trust in complainant's favor. It is true that the moneys in question were not made as a special, as contradistinguished from a general deposit, as those terms are understood in banking matters; that is to say, it was not agreed between the officers making the deposits and the bank that the identical moneys deposited were to be returned. The moneys deposited by the officers of complainant were no doubt mingled with the moneys of the bank, and their identity thus lost; but can such fact destroy the trust in complainant's favor, or prevent the enforcement of it by a court of equity? The bank being insolvent, the question is between the complainant and the general creditors of the bank represented by the receiver. The ordinary creditors became such voluntarily; they deposited their money with the bank with their eyes open. But the money of the complainant was deposited by its officers, and received by the bank, not only without the knowledge of the complainant, but contrary to law. To put the complainant on the same plane with the ordinary creditors is to make the former share in a loss to which it did not voluntarily subject itself, and to give to the latter a share in money which never in equity became the property of the bank. This is certainly not just. It was said by Mr. Justice Bradley, in *Frelinghuysen v. Nugent*, 36 Fed. Rep. 239:

"Formerly, the equitable right of following misapplied money or other property into the hands of the parties receiving it depended upon the ability of identifying it, the equity attaching only to the very property misapplied. This right was first extended to the proceeds of the property, namely, to that which was procured in place of it by exchange, purchase, or sale; but if it became confused with other property of the same kind, so as not to be distinguishable, without any fault on the part of the possessor, the equity was lost. Finally, however, it has been held as the better doctrine that confusion does not destroy the equity entirely, but converts it into a charge upon the entire mass, giving to the party injured by the unlawful diversion a priority of right over the other creditors of the possessor."

This rule was recognized as correct and applied by the Supreme Court in *National Bank v. Insurance Co.*, 104 U. S. 56, 67; *Peters v. Bain*, 133 U. S. 694, 10 Sup. Ct. Rep. 354; and its application to the facts alleged in the bill in the present case is sufficient to sustain it. Demurrer overruled.—*Federal Reporter*.

WHERE SUIT MAY BE BROUGHT TO ENFORCE
COLLECTION.

SUPREME COURT OF MICHIGAN.

Watkins v. Plummer.

The fact that a note, indorsed in a certain county and owned in another county, is transferred to a person for collection in a third county, where the indorser has business interests, in order that suit may be planted against him in that county, is nothing of which the indorser can complain, although he must thus stand suit away from home, it not appearing that he was misled as to the real ownership of the note, or submitted himself under any misapprehension to the jurisdiction.

MONTGOMERY, J.—The defendant is sued as indorser upon a negotiable promissory note. The plaintiff lives in Jackson County, and brought the action in the Circuit Court of that county, and recovered a judgment. The defendant lives in Saginaw County, but has business interests in Jackson County which call him there at times. It was shown at the trial that the note in suit was discounted at the People's Bank in Manchester, Washtenaw County, by the defendant, and that the bank was, at the time of the institution of the suit, and at the time of the trial, the owner of the note, but had transferred the same for collection to plaintiff, in order that suit could be planted in Jackson County. The plaintiff is a stockholder and director in the bank, and resides in the township of Norvell, Jackson County, which adjoins the township in Washtenaw County, in which the bank is located. The plea was the general issue, with notice of special defense. The defendant established the fact of the ownership of the note and the purpose of its transfer, and moved for a verdict upon the ground that the suit was brought in fraud of defendant's rights, the note being transferred for the purpose of suing him away from his home. It does not appear, however, that the defendant was misled as to the real ownership of the note, or submitted himself to the jurisdiction of the court under any misapprehension of fact. It was known to him when he interposed his plea of the general issue, and thereby submitted himself to the jurisdiction of the court, that the action was not necessarily brought in the name of the real owner, and that an agent for collection was authorized to sue in his own name. (*Brigham v. Gurney*, 1 Mich. 351; *Lobdell v. Bank*, 33 Mich. 409; *Boyd v. Corbitt*, 37 Mich. 52.) It is unnecessary, therefore, to determine what would be the proper practice in case a defendant is misled into pleading the general issue by appearances created by the plaintiff. The Circuit Court for the County of Jackson certainly had jurisdiction of the subject-matter, and where this is the case it is a general rule that a plea to the merits waives any irregularity in obtaining jurisdiction of the person. (*Railroad Co. v. Gray*, 38 Mich. 461; *Gott v. Brigham*, 41 Mich. 227, 2 N. W. Rep. 5; *Thompson v. Benefit Ass'n*, 52 Mich. 522, 18 N. W. Rep. 247.) An exception to this rule exists when the method of obtaining jurisdiction constitutes a fraud upon the court as well as upon the party, but such is not the case here. The other points suggested are without merit, and the judgment should stand affirmed, with costs. The other justices concurred.—*Northwestern Reporter*.

LEGAL MISCELLANY.

NEGOTIABLE INSTRUMENT—ACCOMMODATION MAKER.—In an action by a bank on a note it appeared that defendant, a resident of New York, made the notes for accommodation of the payees, residents of another State, who indorsed it to plaintiff, situated in the same State. The indorsers were afterwards discharged in insolvency proceedings, in which plaintiff proved the note as a claim, and received a dividend thereon: *Held*, that the maker was not discharged from liability, since the indorsers would have been discharged as to plaintiff if it had not appeared and taken the dividend, and defendant was not injured thereby. [*Third Nat. Bank of Springfield v. Hastings*, N. Y.]

NEGOTIABLE INSTRUMENTS—OWNERSHIP.—In an action on a note, where plaintiff bank alleged that it is the "absolute and unqualified owner" thereof, and issue was taken on that allegation, ownership thus became one of the issues to be tried. [*United States Nat. Bank of Atchison v. Crosely*, Iowa.]

GARNISHMENT—JOINT ANSWER.—Where the record in a garnishment suit shows that the garnishees were proceeded against jointly, one summons having issued against both, one motion for judgment against both having been made, and one judgment entered, they will be regarded as joint defendants, and the answer of one will be evidence for both on the trial. [*Pollock v. Jones*, Ala.]

NEGOTIABLE INSTRUMENT—BONA FIDE PURCHASER.—A bank held a note against a mother and son, and demanded security, and obtained from the son a sealed judgment waiver note for a similar amount, signed by his sister, in addition to himself and mother. The sister testified that she signed the note on the representation of her brother that it would enable him to obtain an additional loan from the bank. The cashier denied that the bank promised an additional loan, and claimed that it held the note as collateral security. The judgment note was past due when received, and no extra time was given on the original debt in consideration of it: *Held*, that the bank was not a *bona fide* purchaser of the note for value. [*Second Nat. Bank of Altoona v. Dunn*, Penn.]

NEGOTIABLE INSTRUMENTS—SUMMONS.—Where there is no charge of collusion or fraud between the indorser and holder of a promissory note as to the liability of such indorser, and an action is brought against him in the county where he resides within the State, and service had on him there, a summons may be issued and served on the makers in other counties of the State. [*Belcher v. Palmer*, Neb.]

TENDER—DEPOSIT IN BANK.—For the purpose of making a tender or payment to P., R. made a general deposit in a bank to the credit of P. The latter, upon being informed of it, refused to accept it: *Held*, that upon the administrator of P. withdrawing the money from the bank it belonged to R. and that he could maintain an action for conversion upon a refusal to pay it to him. [*Reynolds v. St. Paul Trust Co.*, Minn.]

USURY—RENEWAL OF NOTE.—Where plaintiff gave his note to a bank, and the proceeds thereof were placed to his credit on the books, the fact that afterwards plaintiff applied the amount so credited to the payment of usurious interest on a debt due the bank does not affect the validity of the note. [*Brown v. Cass County Bank*, Iowa.]

CORPORATIONS—ARTICLES OF ASSOCIATION.—By the provisions found in Gen. St. 1878, ch. 34, tit. 1, § 4, and title 2, §§ 110, 118, a corporation

organized as provided in title 2 is authorized, by a majority vote in number and amount of its shareholders and stock shares, to amend its articles of association, including the article which prescribes the nature of its corporate business in any respect, provided the amendment is germane to the subject-matter of the article to be amended, and could have been lawfully incorporated into the original articles of association. [*Mercantile Statement Co. v. Kneal*, Minn.]

CHATTEL MORTGAGE AND NOTE—FORECLOSE.—Where a promissory note and mortgage upon personal property are combined together in one instrument, the promise being to pay the money to a named payee or bearer, and the mortgage portion of the instrument being in these words: "To further secure the payment of this note, I hereby mortgage the following described property," etc.,—one who is not the payee named in the paper cannot foreclose the mortgage in his own name as holder and owner thereof, without having a written assignment of the same. [*Nicholson v. Harris*, Ga.]

GUARANTY—DISCHARGE.—A bank holding a guaranty of the collection of a note delayed from July 17th (when it became convinced that suit was necessary) until November 29th to sue the principal, and delayed from January 7th following to April 8th to move to strike out a frivolous answer in the suit: *Held*, in an action on the guaranty, that the delay was so great as to amount as matter of law to a discharge of the guarantor. [*Chatham Nat. Bank of New York v. Pratt*, N. Y.]

NEGOTIABLE INSTRUMENTS—LIMITATIONS—FOREIGN JUDGMENT.—Where it is admitted in an action in Michigan on a note executed in California, and barred on its face by the statute of limitations, that no payment has ever been made on such note, and it is not shown that the remedy is not barred in Michigan, plaintiff cannot recover. [*Howard v. Coon*, Mich.]

PRINCIPAL AND AGENT—USURY.—Where a principal empowers an agent to transact business with respect to which there is well-defined and publicly known usage, the presumption is, in the absence of facts indicating a different intent, that such authority was conferred in contemplation of such usage, and persons dealing with such agent in good faith will not be bound by limitations upon such usual authority. [*Milwaukee & W. Investment Co. v. Johnston*, Neb.]

NEGOTIABLE INSTRUMENTS—NOTE—ACCOMMODATION MAKER—RIGHTS OF INDORSEE.—In an action by a bank on a note it appeared that defendant, a resident of New York, made the note for the accommodation of the payees, residents of another State, who indorsed it to plaintiff, situated in the same State. The indorsers were afterward discharged in insolvency proceedings, in which plaintiff proved the note as a claim, and received a dividend thereon. *Held*, that the maker was not discharged from liability, since the indorsers would have been discharged as to plaintiff if it had not appeared and taken the dividend, and defendant was not injured thereby. *Gardner v. Bank*, 11 Barb. 558; *Phelps v. Borland*, 103 N. Y. 406. Second Division, Oct. 1, 1892. [*Third Nat. Bank of Springfield v. Hastings*, N. Y. Court of Appeals.]

NEGOTIABLE INSTRUMENTS—ACCOMMODATION INDORSERS—RIGHTS AS AGAINST BONA FIDE HOLDERS.—One who has indorsed a note for the accommodation of the maker on condition that the proceeds should be applied to a specified purpose cannot defend an action by a *bona fide* holder, who purchased without knowledge of the condition, on the ground that the avails of the note were diverted to other purposes. [*Parker v. McLean*, N. Y. Court of Appeals.]

ECONOMIC NOTES.

THE CEREMONY OF "THE TRIAL OF THE PYX."

The trial of the pyx is the annual testing of the standard of gold and silver coins in the English Mint. It is a very ancient custom, and derives its name from the pyx, or chest, in which the coins to be examined are kept. The Mint-master was in former time simply a person under contract with the Government for the manufacture of the coinage, and periodical examinations were consequently necessary to see that the terms of the contract had been complied with. The Mint-master is now an officer of the crown, but the manner of conducting the ceremony is substantially unchanged. The finished coins are delivered to the Mint-master in weights called journey-weights—*i.e.*, 15 pounds troy weight of gold, containing 701 sovereigns, or 1,402 half-sovereigns; of silver, 60 pounds troy. From each journey-weight a coin is taken, and placed in the pyx for the annual trial. The examination of the coins is made by the Goldsmiths' Company, under the direction of the crown, in the presence of the "Queen's Remembrancer," who administers the oath to the jury and presides over the proceedings. The coins are compared with pieces cut from trial-plates of standard fineness, in the keeping of the "Warden of the Standards." If the coins are found to be of standard fineness and weight, within certain limits, a statement to that effect is testified to by the jurors, and handed over to the treasurer. The coins to be tested are kept in the ancient chapel of the pyx, at Westminster Abbey, in joint custody of the Lords of the Treasury, and the Comptroller-General. This custom was first ordered during the thirty-second year of the reign of King Henry II. (1154-1189), and took place occasionally in subsequent reigns, whenever royalty chose to order it. King James was present at one of these ceremonies in 1611. There was one held at the Exchequer Office, July 17, 1861, and the next February 15, 1870. During the year 1870 a coinage act was passed by Parliament, providing for an annual trial of the pyx, and the ceremony has been observed each year since then.

In the United States, a ceremony is provided by law. The trial of the pyx is made at the Mint in Philadelphia, on the second Wednesday of February annually, before the Judge of the District Court of the United States for the Eastern District of Pennsylvania, the Comptroller of the Currency, the Assayer of the New York Assay Office, and such other persons as the President of the United States shall from time to time designate for the purpose. A majority of the commissioners constitutes a competent board. Their examination is made in the presence of the Director of the Mint. The number of coins reserved for the assay from each delivery made by the chief coiner is prescribed by the director, and the reserve pieces, after being sealed up and labeled, are deposited in the pyx, kept under the joint care of the Superintendent of the Mint and the assayer, each of those officers securing it by an independent lock. The reserved coins from the coinage of other Mints besides that of Philadelphia are transmitted quarterly to the Philadelphia Mint, and, in addition to these, the director may at his pleasure take any other pieces for test. The commissioners are not sworn for the ceremony as in England, but after the examination they prepare a certified report of the trial, which, if the coins are within the limit of tolerance in fineness and weight is satisfactory, is simply filed; but if not, the fact is certified to the President of the United States, and if on a view of the

circumstances of the case he shall so decide, the officer or officers implicated in the error are thenceforward disqualified from holding their respective offices.—*Lippincott's Magazine*.

ORIGIN OF PAPER MONEY.

Paper money developed from the bills of exchange or certificates of the banks and was probably first issued by the Italian bankers of the fourteenth century, says the *San Francisco Examiner*. Governments found it an easy way of obtaining money in times of necessity, being, in effect, a forced loan from the people. Paper bills are promises to pay, and when the Government issues them in exchange for supplies or services it has actually borrowed just so much from the man to whom it pays them. It, however, allows him to pass this note in payment of his debts, so instead of being a loan from him singly it is a loan from the whole people. The ease with which the notes may be issued has led many Governments into disastrous experiments in time of war or stress, the promises being issued in such profusion that they became of no value. The continental currency issued during the revolution by the American Congress, and the assignats of the French revolution may be instanced. Paper money depends for its value on the ability of the authority that issues it to give value for it when payment is demanded. When the issue of the civil war was in doubt the value of the greenbacks issued by the United States sunk to one-third of their face value, due partly to a lack of confidence in the Government and due still more to the certainty that payment of the notes must be indefinitely postponed. Even when the war closed and there was no longer doubt of the Government, the currency was depreciated for thirteen years. The Government was in the position of the man known to his neighbors as "good but slow pay." His notes pass at a discount. The Government was known to be good for the amount, and it was certain that it would be ready to redeem its notes some day, but that was not enough for the man who wanted to use the money right away. He thus passed the notes at a discount. The value of paper money thus depends at any given moment on the promise of the Government to redeem it. If the promise will be met when the notes are presented they pass at their face value. If there is doubt on this point the notes must pass at discount, greater or less according to circumstances. If there is no chance that they will ever be paid they are worth nothing at all. As the United States Government has stood ready since 1879 to redeem in gold any notes as soon as presented, its currency passes without question at its face value.

THE PHILOSOPHY OF PRICES.

The vital importance of reasonably remunerative prices to the welfare of any people cannot be denied. It is true that Mr. Currie, a London broker and monometalist, one of the delegates from England to the Brussels Conference, without denying the reduction of prices caused by the attempted compression to a single gold standard, is quoted in the press reports of the proceedings of the Conference as arguing that low prices are not to be deprecated, but rather to be approved and encouraged as conducive to trade; but his views can hardly meet with general approval. They are the cold expressions of a broker and middle man, who is apparently indifferent to the condition of the producer, so he himself scales his percentage from the product as it passes through his hands on its way to the consumer. It has been well said that "the true source of riches, as well as of independence, is to be found in the cultivation of the soil," but neither competency nor independence can be realized with-

out remunerative prices. Cotton at five cents on the Southern plantation and wheat at forty cents on the plains of Western Kansas, Nebraska and Dakota, cannot yield a fair and living return to the producer. Prices unduly high are to be deprecated as well as prices unduly low; but prices liberally remunerative, without inflation, are essential to the prosperity of the people. Fair prices to the producer, fair wages to the workman, as well as fair profits to the middle man and manufacture, are the conditions that give purchasing power to all classes, and thereby promote trade, general education, comfort and prosperity, and tend to that diffusion of wealth which is so essential to the permanent independence of any people.—*Howard M. Holden.*

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

FLA....Orlando	Citizens Nat. B'k.	PA.....Harrisburg...	Merchants Nat. B'k
GA.....Savannah....	Germania Bank.	" ..Reading.....	Schuykill Valley
MASS...Worcester....	Quinsigamond		Bank.
	Nat. Bank.	TENN...Chattanooga.	South Chattanooga
OHIO...Mansfield	Bank of Mansfield.		Sav. Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following :

KAN....Wellington...Sumner Nat. B'k. | N. Y....Port Henry..First Nat. Bank.

Banks which are increasing their capital :

ILL.....Beardstown....First National Bank, from \$50,000 to \$80,000.
WIS.....Eau Claire.....Commercial Bank, to \$50,000.

HINTS TO BEGINNERS IN BOOKKEEPING.—In this little pamphlet of a dozen pages, the author, Mr. R. J. Buchanan, has put a large amount of most useful information. Though intended for beginners, perhaps even those further advanced in the science of accounting may find some statements worthy of attention.

EASTERN STATES.

CONNECTICUT.—The oldest acting bank president in the State is Lebbeus Bissell of Rockville, who celebrated his eighty-third birthday recently. In 1858, when Rockville's population was 3,000, Mr. Bissell interested prominent citizens of the place and incorporated the Savings Bank of Rockville, and he was elected secretary and treasurer, which office he has held ever since. Of the original officers of the bank there are but two now living.

HARTFORD, CONN.—The Society for Savings, known everywhere as the Pratt Street Savings Bank, has long been the largest savings bank in the State, but its growth in recent years has been especially noticeable and carries a moral with it. Look at the statement just given and that in the report of 1882—ten years ago :

	Deposits.	Depositors.
1892.....	\$15,020,250	36,586
1882.....	8,540,832	25,840
Increases.....	\$6,479,418	10,746

The deposits have gone up over six millions and nearly eleven thousand accounts have been added, and yet this bank refuses to pay interest on accounts above \$10,000 or to receive over \$500 a year from any depositor.

BOSTON, MASS.—The introduction of threads into bank note paper for the purpose of increasing the difficulty of preparing similar paper by counterfeiters is not a new idea, though to many doubtless it is. We have recently seen a sheet thus

prepared for the Massachusetts National Bank before the war, containing red threads. Whether invented by that institution or not, it reflects no little credit on its wisdom to have used it for its note issues.

BOSTON.—Mr. William T. Hart, recently elected member of the new board of directors of the Boston & Maine road, will be recollected as a former trustee and afterwards president of the N. Y. & New England road, in whose service he was a most efficient manager. Mr. Hart is president of the Continental Bank, and one of Boston's skilled financiers.

NEW YORK CITY.—The Federal Bank has organized under State laws, and opened for business at Third avenue and 34th street, with Albert H. Leszynski president, and W. H. Bayles cashier. The directors are John G. McCullough, vice-president Erie Railroad Company; Charles R. Flint, James H. Parker, president United States National Bank; Willard Brown, of Brown & Wells; August Roesler, of Wm. Wicke & Co.; Clarence H. Wildes, 34 Wall street; Charles E. Hauselt, merchant; George G. Haven, Jr., treasurer N. Y. & Northern Railroad Company, and A. H. Leszynski. Among the stockholders are Charles F. Havemeyer, Ferdinand Sulzberger, W. C. Humstone, Thomas E. Crimmins, Theo. W. Myers, Morris K. Jesup, Thomas F. Clark, vice-president Western Union Telegraph Company, B. O. Chisolm, Leonard Lewisohn, Geo. P. Cammann, John J. Riker, Andrew Saks, John B. Kerr and Dr. Charles H. Knight.

NEW YORK CITY.—The Executive Council of the American Bankers' Association has elected as secretary Henry W. Ford, late president of the National Bank of the Republic of this city. It was decided to hold the annual convention of the association in Chicago, Sept. 6 and 7 next.

NEW YORK CITY.—A movement has been set on foot by some of the bankers and business men for the purpose of inducing Congress to make an appropriation to pay for the shipment of soiled and mutilated paper money to Washington for redemption. For nearly ten years the Government notes have circulated in all but the Sub-Treasury cities, with no chance of being replaced by new paper unless the banks and business men took it upon themselves to defray the transportation expenses. It is thought that fully one-half of the money in circulation in most parts of the country is so badly soiled and worn that it should be withdrawn from use. At a recent meeting of the Clearing House Association one of the bank presidents suggested that a petition to Congress in the matter be prepared and circulated for signatures in all the principal cities. The suggestion was approved by almost every person present at the meeting, but no formal resolution was adopted. Assistant Treasurer Roberts, of the United States Sub-Treasury in this city, thinks that the required action of Congress can be obtained with very little difficulty. The cost to the Government for the expressage would be very light.

NEW YORK CITY.—Negotiations are said to be under way for the organization of a new National bank, which is to have a capital of \$1,000,000. Among those said to be interested are William C. Whitney, his brother-in-law, Oliver H. Payne, A. D. Juilliard and George G. Havens, directors in the Bank of America; Samuel D. Babcock, a director in the American Exchange National Bank; President McCurdy, of the Mutual Life Insurance Company, and some Philadelphia capitalists.

ALBANY, N. Y.—Superintendent of Banking Preston has appointed William F. Creed, of New York City, Deputy Superintendent of Banking, to succeed Lawrence F. Cahill, who resigned that position in September last. Mr. Creed is about forty-five years old, and has been Bank Examiner in New York City and Brooklyn for the department for some months. He is thoroughly equipped, having been connected with banks and banking for over twenty years, and having served for many years as cashier of the Farmers' National Bank of Malone. During President Cleveland's administration Mr. Creed served as Auditor of the Custom House in New York City.

ALBANY, N. Y.—The action of the New York State National bank directors, at a recent meeting, will attract no little attention. A dividend of 50 per cent. free of all local tax was declared. This was to all the stockholders. A special dividend of a sum sufficient to pay the city and county tax on shares of the bank was also declared. The stockholders received a notice which contained the following :

"We are induced, after mature deliberation, to make this division of the profits of the bank to the present stockholders, rather than continue to accumulate a fund for those who may come after us in the management of this institution, to distribute; believing as we do, that with an unimpaired capital, and a surplus equal to that capital, and profits in addition sufficient to meet all the ordinary risks of business, we are abundantly well provided, without further accumulations, to successfully conduct, in the future, as in the past, the business of this old bank, which now concludes the ninetyeth year of its chartered existence." Appreciating the services the clerks in the bank have performed during the past year, President J. Howard King, on behalf of the directors, distributed \$2,000. Each teller and clerk received a check equivalent to a month's salary. In making the presentation, Mr. King said that dividends were large, the bank's business most excellent, and that he was glad to recognize the faithful services of the bank staff.

BUFFALO, N. Y.—At the annual meeting of the Bankers' Association of Buffalo, the officers elected for the current year were as follows: President, Pascal P. Pratt; vice-president, F. L. Danforth; secretary, W. C. Cornwell; treasurer, E. R. Spaulding; Clearing House Committee—S. M. Clement, Jr., chairman; George Sandrock, M. F. Warren, C. W. Hammond, N. Rochester. Loan Committee—Pascal P. Pratt, James R. Smith, W. H. Walker, Arthur D. Bissell, Charles A. Sweet. Arbitration Committee—John N. Scatcherd, William Meadows, John L. Williams. A very gratifying report was presented by the Clearing House committee. It showed that four banks had come into the Clearing House during the past year, making twenty in all, which includes all the banks of discount and deposit in the city. The report also showed that the clearings for the year 1892 were \$416,039,387.52, and the balances \$36,397,914.96, a marked increase over the volume of business for the previous year; also that the daily settlements are on a strictly gold basis, United States Treasury certificates being issued for use here. The condition of our banking business was referred to as "a matter of pride to the banks and to the whole city."

SYRACUSE, N. Y.—Lucius Gleason, the well-known president of the Third National Bank died on the 3d of January. The history of Mr. Gleason's life is an epitome of the opportunities furnished by this country to those who have a disposition to avail themselves of them. He was in every sense a self-made man, and by his native ability raised himself from the humble circumstances of his youth to a position of power and influence in the business world. To accomplish this he needed no larger field of labor than the county in which he was born afforded him. His foresight was keen and seldom was it that he met with failure in any venture which he might undertake. It was in 1863 that the Third National Bank was organized in this city, and Lucius Gleason was elected as a member of the board of directors. In 1871 he succeeded Allen Munroe as its president, and has continued in that capacity to the present time. In the panic of 1873 the bank suffered heavy losses, but under the wise and prudent management of Mr. Gleason it quickly recovered, and became one of the most prosperous and successful institutions in the city. Mr. Gleason was one of the few men who never relinquished the manufacture of salt. When others gave up in discouragement and allowed their blocks to fall a prey to decay, the fires in Mr. Gleason's furnaces still burned. His blocks stood and coined him money, and they are standing to-day, a monument to his sagacity and energy. Mr. Gleason also owned several large farms which were devoted to the cultivation of willow for basket making. At the time of Mr. Gleason's death his fortune was estimated at something more than a million dollars, a fortune which he amassed by his sagacious and prudent business methods. Although a resident of the village of Liverpool his larger interests were centered in Syracuse, and he has always been identified with the growth and prosperity of this city.

BEAVER FALLS, PA.—The Economy Savings Institution, at Beaver Falls, is winding up its business affairs for the purpose of going out of business on the 1st of next April, at which time the newly incorporated Farmers' National Bank will begin business and will occupy the fine bank building now used for the same purpose by the Economy Savings Bank. The latter institution, which is better known as the Economy Bank, is a private banking establishment, started by the Harmony Society in 1870. The society is still the principal owner, the other parties interested being John Reeves and Hon. Henry Hice, of Beaver. Being backed by the solid

resources of the Economites, the bank has had the confidence of the community from the start, and has done an immense business. At times, according to the statements of men in a position to know, the deposits with the bank have reached almost the million-dollar mark, and its loans and discounts more than \$3,000,000. The mystery of the Economites mortgaging their property for \$400,000 is now explained. The money is to be used in paying off the depositors during the process of closing out the business of this bank, in case the collections of loans, etc., made by the bank are not realized on as rapidly as the requirements of the situation may demand. Despite the common confidence in this bank it has withstood ten different runs by nervous creditors during its existence. The promptness with which it met every demand soon stopped the call for deposits. The new institution is to be known as the Farmers National Bank of Beaver Falls, with a capital of \$100,000. The incorporators are J. C. Whitta, Dr. T. P. Simpson, Rankin Martin, M. L. Knight, C. R. Wylie and J. F. Merriman, of Beaver Falls, and J. M. Buchanan, of Beaver.

HARRISBURG, PA.—A new trust company has been organized. Among the capitalists interested are Major L. S. Bent, president, and E. C. Felton, general manager of the Pennsylvania Steel Company; W. J. Snively, cashier of the Steelton National Bank; George W. Cumbler, president of the Middletown, Highspire and Steelton Street Railway Company; J. E. Rutherford, vice-president of the Steelton National Bank; Colonel James Young, president of the American Tube and Iron Company; A. S. Matheson, general manager of the same company; John Q. Denny, president of the East Harrisburg Passenger Railway Company; G. M. McCauley, treasurer of the Central Iron Works; William F. Bay, president of the Monaghan-Bay Shoe Company; Theodore N. Ely, general superintendent of motive power of the Pennsylvania Railroad Company; John C. Kunkel, A. A. Pancake, George Pancake, J. Montgomery Forster, Arch G. Knisely, H. B. Mitchell, A. S. McCreath, Edward Bailey, president, and W. L. Gorgas, cashier of the Harrisburg National Bank, with all the directors of that institution. The property adjoining the Harrisburg National Bank has been purchased, and such alterations and improvements will be made to supply room for the two banking establishments. The Harrisburg National Bank was organized in 1814. Its present capital is \$300,000, with a surplus of \$185,000, an additional \$10,000 having been added to the surplus fund within the past two days.

ERIE, PA.—It was not until after the Finance Committee had invited bids from Erie bankers for interest on city deposits, the banks had declined to submit any and the Comptroller instructed to solicit bids from outside depositories that any action was taken by local bankers. Within a day after the above action, however, sealed proposals were received from both the First and Second National Banks and these, together with one from the Niagara Bank of Buffalo, were opened at a joint meeting at the finance committee. The First National Bank agreed to receive all money on deposit by the City Treasurer for one year from April 1st next, paying interest therefor at the rate of 2 per cent. per annum, to be computed from the daily balances. The Second National was willing to enter into a three years' contract, pay interest at the rate of 2 per cent. per annum, to be made up from daily or monthly balances as desired, and to furnish good and sufficient bonds. The bid of the Niagara Bank of Buffalo was substantially the same. After considerable discussion, during which Mr. Hamberger proposed that deposits be made by certificate, thus assuring interest at the rate of 3 per cent. for money which remained on deposit six months, and a representative of the Niagara Bank, seconded by Mr. O'Brien, suggested that his bank be given a portion of the money, a motion was put and carried that the finance committee recommend acceptance of the Second National Bank's proposition. It was further recommended that interest be calculated on daily balances and, at the suggestion of Comptroller Brevillier, that the bank be required to furnish bonds in the sum of \$200,000. The above proposition, emanating from the finance committee and Comptroller, will increase the city's yearly revenue \$1,800 to \$2,000. Heretofore city money on deposit has drawn no interest whatever.

VERMONT.—Governor Fuller has appointed Hon. William H. DuBois, of Randolph, Inspector of Finance for the State of Vermont, *vice* Frederic G. Field, of Springfield. In 1875 Mr. DuBois organized the Randolph National Bank and has

been its president since. During the last fourteen years he has been trustee of the State Normal School at Randolph, and treasurer of the graded school district and village of West Randolph since their incorporation. He is chairman of the board of water commissioners of the village of West Randolph, and was Town Auditor for several years. In 1876 he was a member of the General Assembly from Randolph, serving on the committee on education and banks, and on the joint special committee of State expenses. He was appointed Inspector of Finance by Governor Fairbanks the same year, holding the office by re-appointment for six years. In 1882 he was elected State Treasurer and held the office for eight years consecutively. The office of Inspector of Finance was created at the request of John B. Page, then State Treasurer. The first duties of the Inspector were to settle with the Auditor of Accounts and to aid him in settling with the Treasurer. Soon after the duty of inspecting the savings banks and trust companies were added, and later the inspection of the loan companies selling securities in this State. The Inspector's salary was placed at \$200, afterwards raised to \$500, and by the last Legislature raised to \$1,000.

BENNINGTON, VT.—Luther R. Graves of this village was one of the original charterers of the Troy, N. Y., State National Bank and was one of the directors elected at its first meeting. He is yet a member of the board, and is the only surviving one of those who were members of those first chosen.

WESTERN STATES.

LANSING, MICH.—Commissioner of Banking Sherwood has prepared a report showing the condition of the 138 State banks and three trust companies at the close of business on December 9. The total liabilities were \$82,649,533; loans and discounts, \$38,883,892.66; cash on hand, \$3,828,752.86; individual deposits, \$16,948,803.62; certificates of deposits, \$9,632,918.47; savings deposits, \$37,909,010.12; total deposits, \$64,490,732.21.

LANSING, MICH.—The City National Bank, of which E. W. Sparrow is president, and B. F. Davis cashier, has made an additional purchase of \$75,000 worth of Government four per cent. bonds which it has deposited with the Treasurer of the United States as security for a further issue of currency.

LINCOLN, NEB.—The convention of the State Bankers' Association of Nebraska has elected the following officers: President, C. F. Bentley, Grand Island; first vice-president, A. E. Cady, St. Paul; executive council, H. W. Yates, Omaha; N. S. Harwood, Lincoln; A. R. Graham, Wisner; C. H. Moore, Lincoln; W. L. Wilson, Nebraska City; L. D. Richards, Fremont; A. L. Clarke, Hastings; G. W. Post, York; Edward Updike, Harvard; F. Y. Robertson, Kearney. Vice-presidents: First district—O. Horne, Syracuse; G. W. Holland, Falls City. Second district—F. H. Davis, Omaha; A. P. Brink, South Omaha; William Wallace, Omaha. Third district—William Steufer, West Point; W. H. Bucholz, Norfolk; E. F. Folda, Schuyler. Fourth district—S. C. Smith, Beatrice; E. E. Leonard, David City; Charles Perky, Wahoo. Fifth district—A. R. Cruzen, Curtis; Chas. M. Kincade, Beaver City; A. D. King, Culbertson. Sixth district—L. H. Jewett, Broken Bow; Job Hathaway, Hemingford; S. G. Glover, Long Pine. The following resolutions were also adopted. *Resolved*, That Congress be petitioned to suspend the purchase of silver bullion under the Sherman act until such time as the rate of silver shall be so fixed by international agreement that the silver legal tender dollar or its proper representative shall have an equal purchasing quality with the gold dollar. *Resolved*, That it is the sense of this convention that the National banking act be so amended as to restore to the banks one of its proper functions, namely, the furnishing under proper governmental supervision, such additional instruments in excess of coin necessary to meet the demands of trade. The committee to which was referred the matter of days of grace recommended their abolishment by legislative enactment.

CADIZ, O.—W. S. Cessna, Asst. Cashier of the First Nat. Bank of Cadiz, has in his possession two ancient pieces of paper money possessing curious interest if not intrinsic value. One calls for 50 shillings, about \$12.50, and reads, "According to the act of the General Assembly of Pennsylvania, passed in the 13th year in the reign of His Majesty George the Third, dated the first day of October, 1773."

On the reverse side are the ominous words, "To counterfeit is death." The other piece is much like this one, except that it calls for two shillings and sixpence, a half crown.

SOUTHERN STATES.

TEXAS.—The constitution provides that no corporate body shall hereafter be created, renewed or extended with banking or discounting privileges.—Article 16, section 1. For some reason this limitation upon the power of the Legislature has remained in every constitution, except that of 1869, since the organization of the State Government. In the exercise of their sovereign rights, to relieve present or prospective conditions inimical to their interests, the people, through their platform last August, expressed themselves in favor of an amendment to the constitution permitting the incorporation of State banks under proper restrictions and control for the protection of the depositors and the people. One of the reasons for this demand is that the people are willing to remove that restriction on the legislative power and thus to prepare against any contingency that may arise from Federal legislation on the subject of finance. There is a strong desire in some sections of the country for the repeal of the National banking law, over which Congress has exclusive control. Should the Congress abolish the National banking system, with the constitutional prohibition referred to unchanged, the Legislature could not give to the people of Texas any banking system to supply the necessities of business and commerce. It therefore becomes advisable for your honorable bodies to submit a constitutional amendment in obedience to the expressed will of the people on the subject.

PACIFIC STATES.

SAN FRANCISCO, CAL.—The returns of the San Francisco savings banks for January 1, 1893, just filed with the commissioners, show continued prosperity among the patrons of these institutions. There are ten of these banks in the city—no new one having been established for three years. All appear to be in a thriving condition. Three of them report larger aggregate resources than are to be found to the credit of any other banks of any kind in this city or State, or in any other city or State this side of Chicago. Two of these banks show resources of over \$31,000,000 apiece, while a third has nearly \$29,000,000. The German Savings and Loan Society report assets of \$31,905,000; the Hibernia Savings and Loan Society, \$31,137,000, and the San Francisco Savings Union, \$28,750,000. The German Bank assumed the leading position last year, though organized only in 1868, or less than twenty-five years ago. The amount to the credit of depositors in the ten city savings banks at the beginning of this year was \$107,224,400, an increase of \$9,623,700 during the year 1892. This is probably the largest increase in this line made during a single calendar year. During the past decade there has been a gain of \$58,673,700 in the deposits in these banks, equal to an average annual increase of \$5,867,270. Such a munificent gain to the credit of the clients of these institutions speaks volumes for the prosperity of the community which has contributed the money. There have been no failures among the savings banks of the city since the weeding out of weak institutions by the Bank Commissioners fifteen years ago. Two banks have come into existence since then, and all appear to have been prosperous right along from year to year, though some have gone ahead more rapidly than others. Sometimes there is complaint because so much money finds lodgment in the savings banks, the idea being that better results would be accomplished if the owners of this capital invested in active business enterprises. It should be remembered that lodging it in these banks does not prevent its use in general business, as most of these banks have sufficient capital to allow them to make general loans. The managers of these banks have no remedy against these accumulations. If they were to decline deposits, or reduce the rates of interest below what they legitimately earn, it would only lead to the multiplication of banks, without diminishing the amount in deposits. Those things right themselves after a time. The supply of money adjusts itself to the demand, and the managers naturally watch the supply and demand, and so adjust the rate of interest and dividend as to reduce the friction to the lowest minimum consistent with safety and prosper it to all concerned.—*San Francisco Bulletin*.

SACRAMENTO, CAL.—Edgar Mills died on the 10th inst. in San Francisco, Cal.

He was born at North Salem, Westchester County, N. Y., on October 18th, 1827. He was educated as a civil engineer, and made some of the early surveys for the Hudson River Railroad. He went to California with the first rush after the discovery of gold. There he became first a merchant, afterward a banker, and, at the time of his death, he was president of the National Bank of D. O. Mills & Co., of Sacramento. Mr. Mills was also president of the Eureka & Palisades Railroad Company, and connected with many other corporations on the Pacific coast. He was commissioner from the State of California to the French exposition of 1867. He was interested with his brother, Darius Ogden Mills, in such mines as the Alaska-Treadwell, Bunker Hill and Sullivan and Alaska-Mexican.

FOREIGN.

RUSSIA.—The business of banking is completely ruined in Kiev, Kharkov, and other large cities in the South of Russia, and private banks liquidate one after the other. There is no demand for money, and it does not pay the bankers to keep current accounts with depositors. The two named cities and Nijni Novgorod, which stood second rate in the empire in money transactions, have dwindled down to the third and fourth rate respectively, and this tells heavily on the banking business even of Moscow, St. Petersburg, and Warsaw. Only Odessa is yet able to hold its own as a money center, because of her foreign and marine trade. The bankers of that city, however, are so over-flooded with capital that they cannot afford to pay more than $1\frac{1}{2}$ to 2 per cent. interest on capital.

Sterling exchange has ranged during January at from 4.87 @ 4.88 for sight, and 4.85½ @ 4.86½ for 60 days. Paris—Francs, 5.15½ @ 5.14¾ for sight, and 5.18½ @ 5.16½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85¾ @ 4.86; bankers' sterling, sight, 4.87 @ 4.87½; cable transfers, 4.87¼ @ 4.87½. Paris—Bankers', 60 days, 5.18½ @ 5.17½; sight, 5.15½ @ 5.15. Antwerp—Commercial, 60 days, 5.20 @ 5.19½. Reichmarks (4)—bankers', 60 days, 95¾ @ 95½; sight, 95¾ @ 95¾. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40¾ @ 40 7-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Jan. 3.	Jan. 9.	Jan. 16.	Jan. 24.	Jan. 30.
Discounts.....	6 @ 8	6 @ 7	6 @ 6½	5 @ 5½	4½ @ 5
Call Loans.....	7 @ 5	5 @ 4	5 @ 2½	2	2½ @ 2
Treas. balances, coin.....	\$86,965,268	\$85,537,018	\$85,424,863	\$81,675,577	\$77,077,785
Do. do currency.....	6,227,337	5,783,211	7,786,036	10,516,024	13,140,301

The reports of the New York Clearing-house returns compare as follows:

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Jan. 7..	\$441,283,700	\$76,626,600	\$46,157,800	\$455,367,800	\$5,585,000	\$ 8,042,450
" 14..	439,875,100	79,947,900	51,380,100	462,870,200	5,623,300	15,610,450
" 21..	447,074,100	84,627,700	57,898,800	479,963,300	5,646,900	22,529,600
" 28..	455,179,900	85,280,100	60,058,100	488,779,600	5,586,300	23,143,300

The Boston bank statement is as follows:

1892.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Dec. 31....	\$158,114,800	\$10,234,400	\$5,710,200	\$144,918,400	\$5,188,500
1893.					
Jan. 7.....	158,133,900	10,258,100	6,049,700	149,624,700	5,203,600
" 14.....	159,306,400	70,451,800	6,228,800	149,762,700	5,162,900
" 21.....	161,206,100	10,810,600	6,236,800	151,750,400	5,129,600
" 28.....	161,703,900	10,809,300	6,267,300	149,535,700	5,130,100

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1893.	Loans.	Reserves.	Deposits.	Circulation.
Jan. 7.....	\$103,074,000	\$27,472,000	\$103,866,000	\$3,500,000
" 14.....	103,170,000	27,367,000	102,574,000	3,612,000
" 21.....	102,737,000	29,160,000	102,607,000	3,618,000
" 28.....	103,008,000	29,710,000	104,344,000	3,591,000

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from January No., page 555.)

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY.	Fifth National Bank.....	S. Kelly, <i>V. P.</i>	R. B. Kelly.
"	..National Bank of Commerce.....	J. Pierpont Morgan, <i>V. P.</i>	A. A. Low.*
"	..Nat. Shoe & Leather Bank.....	W. R. Crane, <i>Ass't.</i>.....	.....
"	..Sixth National Bank.....	W. Emlen Roosevelt, <i>V. P.</i>	Chas. G. Landon.
"	..Continental Trust Co.....	Otto A. Bannard, <i>P.</i>	Henry A. Oakley.
"	..Manhattan Trust Co.....	John I. Waterbury, <i>P.</i>	F. O. French.
"	.....	John Kean, Jr., <i>V. P.</i>.....	.....
"	.....	Amos T. French, <i>2d V. P.</i>.....	.....
D. C.	West End Nat. Bank, Wash.....	F. C. Stevens, <i>P.</i>	Wm. R. Riley.
ILL.	First National Bank, Aurora.....	F. F. Safford, <i>Ass't.</i>.....	.....
"	First National Bank, Canton.....	L. C. Swearingen, <i>Ass't.</i>.....	.....
KAN.	First National Bank, Pratt.....	C. S. Calhoun, <i>P.</i>	C. A. Hopper.
ME.	Bath National Bank, Bath.....	F. W. Hill, <i>Ass't.</i>.....	.....
MD.	Citizens National Bank, Balt.....	James A. Gary, <i>V. P.</i>	Thos. Cassard.*
MASS.	Nat. Exchange Bank, Boston.....	Chas. A. Price, <i>Ass't.</i>.....	.....
"	Cambridge Nat. B'k, East Cam.....	Alvin F. Sortwell, <i>V. P.</i>.....	.....
"	Lechmere Nat. B'k, East Cam.....	Otis S. Brown, <i>V. P.</i>	Wm. H. Sherman.
"	Essex Nat. Bank, Haverhill.....	J. Russ, Jr., <i>Cas.</i>	W. H. Coffin.
"	National City Bank, Lynn.....	F. S. Pevear, <i>P.</i>	Amos P. Tapley.
"	Blue Hill Nat. Bank, Milton.....	Samuel Gannett, <i>P.</i>.....	.....
"	Nat. B'k of Com., New Bedford.....	Wm. I. Rotch, <i>V. P.</i>	W. C. N. Swift.*
"	First Nat. B'k, S. Weymouth.....	A. B. Vining, <i>V. P.</i>	Josiah Reed.
"	Union National Bank, Weymouth.....	Henry A. Nash, <i>P.</i>	Albert Humphrey.*
"	.....	Edwin P. Worster, <i>V. P.</i>	Henry A. Nash.
MICH.	Fifth National Bank, Grand Rapids.....	J. Edward Earle, <i>P.</i>	J. D. Robinson.*
"	.....	J. H. Bonnell, <i>1st V. P.</i>	J. Edward Earle.
"	.....	T. W. Strahan, <i>2d V. P.</i>.....	.....
MINN.	First National Bank, Appleton.....	C. F. Ireland, <i>V. P.</i>.....	.....
"	.....	Edward Lende, <i>Ass't.</i>.....	.....
MO.	First National Bank, Moberly.....	J. C. Samuel, <i>Ass't.</i>	Ira J. Lewis.
NEB.	First National Bank, Grant.....	C. S. Montgomery, <i>V. P.</i>	D. D. Cooley.
"	Packers National Bank, South Omaha.....	John F. Coad, <i>P.</i>	A. C. Foster.
"	.....	C. M. Hunt, <i>V. P.</i>	Samuel Cotner.
N. J.	Camden Nat. Bank, Camden.....	Elias Davis, <i>Cas.</i>	I. C. Martindale.
"	First National Bank, Camden.....	Chas. Stockham, <i>V. P.</i>	J. Livermore.
"	First Nat. Bank, Plainfield.....	Chas. Potter, <i>P.</i>	I. D. Titsworth.
N. MEX.	Albuquerque Nat. B'k, Alb.....	C. C. Hall, <i>Cas.</i>	A. W. Jones.
N. Y.	First National Bank, Albany.....	Wm. M. Whitney, <i>V. P.</i>	Lemon Thomson.
"	First National Bank, Candor.....	F. W. Smith, <i>Cas.</i>	Jerome Thompson.
"	.....	M. A. Beers, <i>Ass't.</i>	F. W. Smith.
"	National Bank of Cohoes.....	D. J. Johnston, <i>P.</i>	Charles Adams.
"	First National Bank, Ithaca.....	Geo. R. Williams, <i>P.</i>	J. C. Stowell.
"	.....	J. C. Stowell, <i>V. P.</i>	Geo. R. Williams.
"	Farmers Nat. Bank, Malone.....	F. F. Fisk, <i>Cas.</i>	O. S. Lawrence.
"	First National Bank, Moravia.....	Morgan L. Williams, <i>V. P.</i>	Joseph Dresser.*
"	First Nat. Bank, Penn Yan.....	J. A. Underwood, <i>Ass't.</i>.....	.....
"	Third National Bank, Syracuse.....	Henry Lacy, <i>P.</i>	Lucius Gleason.*
"	First National Bank, Waverly.....	F. E. Lyford, <i>P.</i>	Howard Elmer.
"	.....	Percy L. Lang, <i>Cas.</i>	F. E. Lyford.
OHIO.	Second Nat. B'k, Chillicothe.....	Wm. Foresman, <i>V. P.</i>	S. H. Evans.
"	First Nat. Bank, Chillicothe.....	G. W. A. Clough, <i>V. P.</i>.....	.....
"	First National Bank, Galion.....	C. S. Crim, Jr., <i>Ass't.</i>.....	.....
"	First Nat. Bank, Ironton.....	Halsey C. Burr, <i>P.</i>	Geo. Willard.
"	First Nat. Bank, Portsmouth.....	J. W. Bannon, <i>P.</i>	Robert Baker.
"	Second National Bank, Ravenna.....	George F. Robinson, <i>P.</i>	D. C. Coolman.
"	.....	C. A. Reed, <i>V. P.</i>	W. Holcomb.
"	First National Bank, Toledo.....	S. C. Schenck, <i>V. P.</i>	S. D. Carr.
PA.	First National Bank, Conneautville.....	J. C. Sturtevant, <i>P.</i>	T. A. Hollenbeak.
"	.....	J. T. Snodgrass, <i>Cas.</i>	J. C. Sturtevant.
"	Keystone National Bank, Erie.....	W. H. Nicholson, <i>V. P.</i>	J. F. Downing.
"	.....	F. V. Kepler, <i>Cas.</i>	J. I. Town.
"	.....	F. M. Lamb, <i>Ass't.</i>	F. V. Kepler.
"	Farm. & Mechs. N. B., Phila.....	E. A. Austin, <i>Ass't.</i>	Wm. M. Arnott.

* Deceased

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
R.I....Com'l Nat. B'k, Providence.....	Abram Barker, <i>Cas.</i>	Henry G. Arnold.
TEXAS..National Bank of Daingerfield.....	J. F. Jones, <i>Cas.</i>	J. C. Jenkins.
" ..First National Bank, Detroit.....	J. H. Caton, Sr., <i>P.</i>	C. H. Miers.
" ..First National Bank, Llano. {	W. S. Dorland, <i>P.</i>	F. R. Malone.
	F. R. Malone, <i>V. P.</i>	
	S. Duncan, <i>Cas.</i>	W. S. Dorland.
" ..Iron City National Bank, Llano. {	W. T. Moore, Sr., <i>P.</i>	W. T. Moore, Jr.
	W. T. Moore, Jr., <i>Cas.</i>	C. C. McCluer.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from January No., page 554.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
N. Y. CITY.....	Federal Bank.....		
	\$100,000	Albert H. Leszynsky, <i>P.</i>	Wm. H. Bayles, <i>Cas.</i>
ALA....Talladega	Isbell National Bank.....		
	\$50,000	Wm. P. Armstrong, <i>P.</i>	R. L. Ivey, <i>Cas.</i>
FLA....Pensacola.....	Citizens National Bank.....		
	\$100,000	L. Hilton Green, <i>P.</i>	
GA.....Albany	Exchange Bank.....		
	\$55,000	S. B. Brown, <i>P.</i>	A. P. Coles, <i>Cas.</i>
		E. L. Wight, <i>V. P.</i>	
IND....Alexandria.....	Alexandria National Bank..		
	\$50,000	Samuel E. Young, <i>P.</i>	C. F. Heritage, <i>Cas.</i>
" ..Elkhart.....	Indiana National Bank.....		
	\$100,000	J. L. Brodrick, <i>P.</i>	W. L. Collins, <i>Cas.</i>
IOWA..Malvern.....	Farmers National Bank....		
	\$50,000	John C. Taylor, <i>P.</i>	Wm. M. Evans, <i>Cas.</i>
MASS...Haverhill.....	Merchants National Bank..		
	\$100,000	Charles E. Wiggins, <i>P.</i>	Otis E. Little, <i>Cas.</i>
MINN...Canton.....	Bank of Canton.....		Seaboard National Bank.
		Carey Abbott, <i>P.</i>	H. O. Helgeson, <i>Cas.</i>
		B. J. Kelsey, <i>V. P.</i>	
MISS...Scranton.....	Scranton State Bank.....		United States National Bank.
	\$25,000	Henry C. Herring, <i>P.</i>	H. M. Plummer, <i>Cas.</i>
		J. Ira Ford, <i>V. P.</i>	
NEB....Ithaca.....	Ithaca State Bank.....		Chemical National Bank.
	\$6,250	J. Tieter, <i>P.</i>	John G. Stark, <i>Cas.</i>
		E. A. Slopher, <i>V. P.</i>	
" ..Murray	Murray State Bank.....		Chase National Bank.
	\$10,000	Jacob Good, <i>P.</i>	Elmer F. Good, <i>Cas.</i>
		R. E. Countryman, <i>V. P.</i>	
" ..Winside.....	Wayne Co. Bank.....		United States National Bank.
	\$20,000	J. W. Thomas, <i>P.</i>	H. A. Smith, <i>Cas.</i>
		John Elliott, <i>V. P.</i>	
N. C....N. Wilkesboro..	Bank of North Wilkesboro.		Chase National Bank.
	\$33,000	James E. Finley, <i>P.</i>	D. W. Greenlee, <i>Cas.</i>
" ..Weldon.....	Bank of Weldon		Chase National Bank.
	\$10,000	Walter E. Daniel, <i>P.</i>	Wm. R. Smith, <i>Cas.</i>
		S. P. Armington, <i>V. P.</i>	
OHIO...Arcanum.....	First National Bank.....		
	\$50,000	Daniel Francis, <i>P.</i>	C. F. Parks, <i>Cas.</i>
" ..Logan.....	Union Bank.....		Winslow, Lanier & Co.
	\$100,000	B. K. Fritsch, <i>P.</i>	S. P. Officer, <i>Cas.</i>
		N. Armstrong, <i>V. P.</i>	
ORE....Eugene	Eugene L'n & Sav. Bank..		National Park Bank.
	\$30,000	J. C. Church, <i>P.</i>	F. W. Osburn, <i>Cas.</i>
		B. D. Peirce, <i>V. P.</i>	
PA.....Clearfield.....	Clearfield National Bank...		
	\$100,000	Alexander R. Powell, <i>P.</i>	James L. Leavy, <i>Cas.</i>
W. VA..Welch.....	Bank of Welch.....		
	\$10,000	John Cooper, <i>P.</i>	

PROJECTED BANKING INSTITUTIONS.

- N. Y....New York.....United States Mortgage Co., 59 Cedar Street ; capital, \$2,000,000. Chas. R. Henderson, President ; Luther Kountze, Vice-President ; William P. Elliott, Secretary.
- ARK....Hot Springs....Mr. J. W. Wilder, a New York capitalist, is interested in the new bank to be started soon.
- COL....La Junta.....La Junta State Bank ; capital, \$30,000. R. A. Steen, President ; Ed. V. Price, Vice-President ; M. Z. Farwell, Secretary.
- " ..Leadville.....New bank started. P. W. Breene, President ; C. L. North, Vice-President ; C. C. Parker, Cashier.
- D. C....Washington....Union Security Co. John A. Baker, President ; Jas. G. Payne, Vice-President ; Chapin Brown, Secretary.
- FLA....Palm Beach....New bank started with capital of \$15,000. J. H. Beresford, President ; Hon. E. N. Demick, Vice-President ; George Branning, Cashier.
- GA.....Elberton.....New bank organized. W. S. Witham, President ; McAlphin Arnold, Vice-President.
- ILL....Chicago.....The Illinois State German Bank will open about March 1st, at corner of Englewood Ave. and Halsted Street.
- " ..DecaturFarmers State Bank ; capital, \$100,000. Organizers : Lewis B. Casner, J. S. McClelland, Lewis E. Eyman.
- " ..MadisonF. Kohl will be President of a National bank organized here.
- " ..Mattoon.....Mattoon State Savings Bank ; capital, \$50,000. Organizers : John Carr Russell, Chas. B. Ensign, William D. Vincent.
- " ..Mount Carmel..Wabash Savings Bank ; capital, \$25,000. S. R. Putnam, President ; Javner Risley, Vice-President ; Wm. H. Hughes, Cashier.
- " ..Murphysboro...Murphysboro Savings Bank ; capital, \$25,000. Incorporators : Jos. B. Gill, W. K. Murphy, J. Van Closter.
- IOWA...Clinton.....Peoples Trust and Savings Bank ; capital, \$300,000. Incorporators : A. M. Ingiverson, C. Lamb, L. Lamb, C. F. Alden, E. P. Wells, D. Langan, G. B. Young, P. S. Towell.
- " ..EllsworthEllsworth Trust Co. ; capital, \$250,000.
- " ..Plover.....Plover Savings Bank ; capital, \$10,000. A. O. Garlock, President ; W. D. McEwan, Cashier.
- " ..PocahontasPocahontas Savings Bank ; capital, \$10,000. A. O. Garlock, President ; C. H. Tollefsinde, Cashier.
- " ..Waterloo.....Waterloo State Bank. C. F. Couch, President ; Richard Holmes, Vice-President ; J. D. Easton, Cashier.
- KAN....Perry.....Bank of Perry ; capital, \$10,000. Directors : W. H. Huddleston, Oskaloosa ; Frank Stark, J. L. Raines, Thomas Lee, A. Shoner, J. M. Gunter, of Perry.
- KY.Dayton.....Bank to be established.
- ME....Portland.Union Safe Deposit and Trust Co. Frederic Robie, Fred E. Richards, incorporators.
- MD....Frostburg.....Citizens National Bank starting.
- " ..Hyattsville....Citizens National Bank to be opened here.
- MASS...Lowell.....New trust company started. Incorporators : E. S. Foss, G. L. Huntoon, A. L. Russell.
- MICH...Detroit.....Cameron Currie & Co., bankers, 82 Griswold Street. Members of firm are Cameron Currie, Frederick S. Osborne, Clarence Carpenter.
- " ..Globeville.....A State bank to be started.
- " ..Pontiac.....First Commercial Bank ; capital, \$100,000.
- MINN...Faribault.....New bank to be established ; capital, \$50,000.

- MINN...Good Thunder..State Bank of Good Thunder; capital, \$25,000.
- ..Waseca.....Citizens State Bank commenced business.
- MO.....Kansas City...American Trust Co. F. D. Mills, President; Emerson Brooks, Vice-President; J. M. Mills, Secretary and Treasurer.
- N. H...AntrimA savings bank to be established.
- ..Newmarket.....The Newmarket Manufacturing Co. has instituted a savings bank.
 - ..N. Stratford . . .A National bank to be started soon. O. H. Danforth will be Cashier.
 - ..Pittsfield.....Pittsfield Bank incorporated.
- N. J....May's Landing.National bank to be started.
- ..MorristownMorristown Trust Co.; capital, \$100,000. Samuel Freeman, President; A. B. Hull, Vice-President; F. M. Hurley, Treas.; Francis M. Cantine, Secretary.
 - ..Newark..... New York and European Investment Co.; capital, \$1,000,000. Incorporators: Warner Miller, Herkimer, N. Y.; Willard Brown, William I. Martin, C. M. Wicker, N. Y. City; George P. Sheldon, Greenwich, Conn.
- N. Y...Brockport.....New bank to be started soon.
- ..Brooklyn.....Peoples Bank. A. M. Suydam, William Andrews interested.
 - ..BrooklynUnion Bank; capital, \$100,000. Stephen M. Griswold, President.
 - ..BuffaloHydraulic Bank; capital, \$100,000. Directors: W. W. Sloan, President; B. F. Gentsch, Vice-President; J. B. Spencer, Cashier.
 - ..Cobleskill.....Farmers and Merchants National Bank; capital, \$50,000.
 - ..Earlville.....H. G. Greene, Guy H. Clark, and others, are starting a savings bank.
 - ..Matteawan.....New bank organized here.
 - ..Middleport:New bank to be started; capital, \$25,000.
 - ..Morris.....D. I. Laurence is starting a National bank here.
 - ..Niagara Falls..Power City Bank; capital, \$100,000. Directors: Arthur Schoellkopf, Henry Durk, Hans Nielson, Eugene Cary, Edward Terrill, and others.
 - ..Rochester.....F. D. Chamberlain has started a bank; capital, \$100,000.
 - ..Schenectady....Merchants National Bank organizing.
- N. C....High PointA. H. Coffin, W. H. Ragan, and J. H. Millis are starting a new bank here.
- OHIO...BradnerMessrs. Niece & Dale are starting a bank.
- ..Girard.....First National Bank; capital, \$20,000. Apply A. B. Camp.
 - ..Lancaster.....Farmers and Citizens Bank. F. C. Whiley, President; Jacob Keller, Vice-President; Samuel Whiley, Cashier.
 - ..Toledo.....Chas. R. Mayers, of the First National Bank, Niles, O., and others, will start a National bank here. Capital, \$300,000.
 - ..Toledo.....Toledo Safe Deposit and Trust Co.; capital, \$100,000. Incorporators: C. F. Reynolds, C. M. Spitzer, George Pomeroy.
- PA.... Harrisburg....Harrisburg Trust and Safe Deposit Co.; capital, \$125,000. Directors: H. D. Hemler, Louis Delone, W. L. Bishop, W. M. Donaldson, R. B. Mateer, S. A. Reeme, Wm. Witman, W. S. Stoej, Jesse Wingard.
- ..McKeesport....Citizens National Bank; capital, \$100,000. Samuel Shaw, President; G. B. Warren, Vice-President.
 - ..NorristownNew bank to be started.
 - ..Philadelphia...Tacony Trust Co. Jacob Disston, President.
 - ..Reading.....New National bank; capital, \$200,000. Projectors: John H. Printz, Wm. R. Hinnershitz, Geo. P. Zieber, Geo. W. Hassinger.

- PA.....YorkJ. Jessop, I. W. Allen, Chas. H. Dempwolf, W. F. B. Stewart are forming a new trust company at York; capital, \$250,000.
- S. C....Charleston.....Columbian Banking and Trust Co.; capital, \$50,000. Henry W. Haesloop, President; Jacob Knobloch, Vice-President.
- ..Charleston.....German-American Trust and Savings Bank.
- TEXAS..Arlington.....Citizens Bank. A. J. Rogers, President; J. F. McKnight, Vice-President; R. F. Davis, Cashier.
- ..Sonora.....New bank to be started; capital, \$50,000.
- VA.....ChathamNew bank to be started; capital, \$10,000.
- ..Portsmouth....Peoples Bank; capital, \$40,000. John H. Hume, President; Alex. B. Butt, Cashier.
- WASH..Harrington....David Wilson, of Tacoma, is starting the First National Bank of Harrington; capital, \$150,000.
- ..Tacoma.....German-American Safe Deposit and Savings Bank. Directors: A. Huth, R. W. DeLion, C. A. Darmer, C. O. Bean, E. J. Rose, W. G. Peters, Joseph Kopperl, Henry Oliver, A. J. Weisbach.
- WIS....Iron Mountain..James Fitzgibbons is arranging to open a bank.
- ..Palmyra.....First National Bank to be opened.
- MEX....Mexico.....Mr. Chas. F. Ebner is starting a bank in Mexico.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during January, 1893.

- IND.....Dunkirk.....First National Bank, by M. L. Case, Bowling Green, O., and associates.
- IOWA...Cresco.....First National Bank, by C. K. Berg and associates.
- ..Hartley.....First National Bank, by E. E. Hall and associates.
 - ..Waukon.....First National Bank, by B. F. Boomer and associates.
- KAN....Newton.....Midland National Bank, by Grant Hornaday, Fort Scott, Kan., and associates.
- N. J....Perth Amboy...First National Bank, by Frank P. McDermott, Freehold, N. J., and associates.
- ..Princeton.....First National Bank, by George O. Vanderbilt and associates.
- N. Y....Glens Falls....Merchants National Bank, by A. J. Cheritree and associates.
- OHIO...Belmont.....First National Bank, by Wm. Kinney and associates.
- ..Hicksville.....First National Bank, by W. F. Dittenhauer and associates.
- PA....Beaver Falls....Farmers National Bank, by Henry Hice, Beaver, Pa., and associates.
- ..Reading.....Reading National Bank, by John M. Bertolet and associates.
- TENN..Columbia.....Maury National Bank, by C. A. Parker and associates.
- TEXAS..Beeville.....Commercial National Bank, by D. C. Stone and associates.
- ..Dublin.....Dublin National Bank, by R. W. Higginbotham and associates.
 - ..Wharton.....First National Bank, by R. T. Ervin, Velasco, Tex., and associates.
- WASH..Sidney.....First National Bank, by B. F. Day, Seattle, Wash., and associates.
- WIS....Superior.....Northwestern National Bank, by H. T. Fowler, West Superior, Wis., and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from January No., page 559.)

No.	Name and Place.	President.	Cashier.	Capital.
4833	Merchants National Bank.....	Charles E. Wiggin, Haverhill, Mass.	Otis E. Little,	\$100,000
4834	Farmers National Bank.	John C. Taylor, Malvern, Iowa.	Wm. M. Evans,	50,000
4835	Alexandria National Bank ...	Samuel E. Young, Alexandria, Ind.	C. F. Heritage,	50,000
4836	Clearfield National Bank.....	Alexander R. Powell, Clearfield, Pa.	James L. Leavy,	100,000
4837	Citizens National Bank.....	L. Hilton Green, Pensacola, Fla.		100,000
4838	Isbell National Bank.....	Wm. P. Armstrong, Talladega, Ala.	R. L. Ivey,	50,000
4839	First National Bank.....	Daniel Francis, Arcanum, O.	C. F. Parks,	50,000
4840	National Lumbermen's Bank...A. V. Mann, Muskegon, Mich.		C. C. Billinghurst,	100,000
4841	Indiana National Bank.....	J. L. Brodrick, Elkhart, Ind.	W. L. Collins,	100,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from January No., page 558.)

ALA....Talladega.....Isbell & Co. succeeded by Isbell National Bank.
 ARK....Little Rock....First National Bank reported suspended.
 GA....Americus.....Bank of Americus reported closed.
 KAN....Newton.....Newton National Bank in hands of receiver.
 MASS...Lawrence.....National Pemberton Bank has gone into voluntary liquidation.
 MICH...Pontiac.....First National Bank has been succeeded by First State Bank.
 MISS...Scranton.....British American Trust Co. succeeded by Scranton State Bank.
 MO....Arrow Rock...Bank of Arrow Rock reported assigned.
 MONT..Castle.....First National Bank has gone into voluntary liquidation.
 NEB....Lincoln.....Capital National Bank reported closed.
 ORE....Eugene.....Eugene National Bank has gone into liquidation, succeeded by Eugene Loan and Savings Bank.

DEATHS.

CHAPMAN.—On January 24, E. C. CHAPMAN, President of Rockville National Bank, Rockville, Conn.

GLEASON.—On January 3, aged seventy-three years, LUCIUS GLEASON, President of Third National Bank, Syracuse, N. Y.

HUTCHINSON.—On January 9, aged sixty years, GARDINER S. HUTCHINSON, President of Dime Savings Bank, Brooklyn, N. Y.

LADD.—On January 6, aged sixty-six years, WILLIAM SARGENT LADD, of the firm Ladd & Tilton, Portland, Ore.

PALMER.—On December 22, aged forty-four years, F. R. PALMER, Cashier of First National Bank, Chester, Pa.

TAYLOR.—On January 30, aged fifty-nine years, WILLIAM J. TAYLOR, Cashier of Farmers National Bank, Amsterdam, N. Y.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JANUARY, 1893.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in January.											
GOVERNMENTS.				RAILROAD STOCKS.				MISCELLANEOUS.			
Interest Periods.	Open- ing.	High- est.	Low- est.	Open- ing.	High- est.	Low- est.	Clas- ing.	Open- ing.	High- est.	Low- est.	Clas- ing.
Mar.	100	100	100	100	100	100	100	16	18 1/2	16	17 1/2
Jan.	113	113 1/2	113	113 1/2	113 1/2	113 1/2	113 1/2	47 1/2	50	45 1/2	48 1/2
Jan.	114	114	113	113 1/2	113 1/2	113 1/2	113 1/2	48	24	24	24 1/2
Feb.	105 1/2	105 1/2	105	105 1/2	105 1/2	105 1/2	105 1/2	74 1/2	84 1/2	74 1/2	74 1/2
Jan.	108	108	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	21 1/2	25	21 1/2	21 1/2
Jan.	110	110	110	110	110	110	110	37 1/2	36	36	36
July	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	10 1/2	18 1/2	10 1/2	10 1/2
July	115	115	115	115	115	115	115	53 1/2	53 1/2	48 1/2	51 1/2
July	115	115	115	115	115	115	115	199 1/2	199 1/2	186 1/2	199 1/2
July	115	115	115	115	115	115	115	7 1/2	10 1/2	7 1/2	10 1/2
July	115	115	115	115	115	115	115	11 1/2	11 1/2	11	10 1/2
RAILROAD STOCKS.				RAILROAD STOCKS.				MISCELLANEOUS.			
Atlantic & Pacific.	4 1/2	4 1/2	4	4 1/2	4 1/2	4	4 1/2	—	—	—	—
Canadian Pacific.	96 1/2	96 1/2	95 1/2	95 1/2	96 1/2	95 1/2	95 1/2	—	—	—	—
Canada Southern	56 1/2	56 1/2	56 1/2	56 1/2	56 1/2	56 1/2	56 1/2	—	—	—	—
Central of N. J.	126	126 1/2	126 1/2	126 1/2	126 1/2	126 1/2	126 1/2	—	—	—	—
Central Pacific.	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	—	—	—	—
Ches. & Ohio.	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	—	—	—	—
Ches. Do	—	—	—	—	—	—	—	—	—	—	—
Chic. & Alton.	—	—	—	—	—	—	—	—	—	—	—
Chic. Do	—	—	—	—	—	—	—	—	—	—	—
Chic. B. & O.	—	—	—	—	—	—	—	—	—	—	—
Chic. & East n Ill.	—	—	—	—	—	—	—	—	—	—	—
Chic. Do	—	—	—	—	—	—	—	—	—	—	—
Chic. M. & St. P.	—	—	—	—	—	—	—	—	—	—	—
Chic. Do	—	—	—	—	—	—	—	—	—	—	—
Chic. & N. W.	—	—	—	—	—	—	—	—	—	—	—
Chic. Do	—	—	—	—	—	—	—	—	—	—	—
Chic. R. I. & P.	—	—	—	—	—	—	—	—	—	—	—
Chic. St. P. M. & O.	—	—	—	—	—	—	—	—	—	—	—
Chic. Do	—	—	—	—	—	—	—	—	—	—	—
C. C. C. & St. L.	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Col. Coal & Iron.	29 1/2	32 1/2	28 1/2	29 1/2	32 1/2	28 1/2	31 1/2	—	—	—	—
Col. H. Valley & Tol.	134	139 1/2	131 1/2	134	139 1/2	131 1/2	137 1/2	—	—	—	—
Del. & Hudson.	134	136 1/2	143 1/2	134	136 1/2	143 1/2	135 1/2	—	—	—	—
Del., Lack. & W.	—	—	—	—	—	—	—	—	—	—	—
Den. & Rio Grande.	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
East Tenn. V. & G.	53 1/2	57 1/2	53 1/2	53 1/2	57 1/2	53 1/2	55 1/2	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
1st pref.	—	—	—	—	—	—	—	—	—	—	—
2d pref.	—	—	—	—	—	—	—	—	—	—	—
Evansville & T. H.	99 1/2	104	99	99 1/2	104	99	101	—	—	—	—
Illinois Central.	22 1/2	25 1/2	23 1/2	22 1/2	25 1/2	23 1/2	24 1/2	—	—	—	—
Lake Erie and Western.	76 1/2	82	75 1/2	76 1/2	82	75 1/2	78 1/2	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Lake Shore.	128 1/2	132	127 1/2	128 1/2	132	127 1/2	130 1/2	—	—	—	—
Long Island.	105 1/2	118 1/2	105 1/2	105 1/2	118 1/2	105 1/2	113	—	—	—	—
Louisville and Nashville.	72 1/2	77 1/2	71 1/2	72 1/2	77 1/2	71 1/2	76 1/2	—	—	—	—
Louisville, N. Alb. & Chic.	24	24	24	24	24	24	24	—	—	—	—
Manhattan Consol.	158	174 1/2	153	158	174 1/2	153	160	—	—	—	—
Michigan Central.	104 1/2	106 1/2	104	104 1/2	106 1/2	104	106 1/2	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
1st pref.	—	—	—	—	—	—	—	—	—	—	—
2d pref.	—	—	—	—	—	—	—	—	—	—	—
3d pref.	—	—	—	—	—	—	—	—	—	—	—
St. Louis & San Francisco.	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—	—	—	—	—
Do	—	—	—	—	—	—	—				

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

MARCH, 1893.

No. 9.

THE CONDITION OF OUR NATIONAL FINANCES.

Only a short time ago the Treasury was surfeited with money, and the inquiry was, how could the surplus be reduced? The complaint was heard everywhere that the circulation which ought to be in the banks and among the people was imprisoned in the Sub-Treasuries. It was contended that business suffered from this abnormal state of things. Congress remedied the evil, but caused perhaps a worse one. It not only cut down the revenues, but increased the national expenditures. Had more pains been exercised, Congress would have discovered that either the revenues should not be diminished so largely, or else that the expenditures should be kept nearer to the old limit. Instead of doing this that body proceeded in the wildest manner to reduce the revenues and was hardly less thoughtless in appropriating money for all kinds of purposes. Not many months had passed before the surplus vanished, and then the complaint arose, what will the Government do to make both ends meet? And this complaint has been growing louder and louder until at last it has become a very serious one.

Probably no Government on earth in time of peace ever changed its policy so radically as our own with respect to its revenues and expenditures. One can hardly believe that we are living under the same Government as that which existed three years ago. One of the mistakes then committed was in supposing that

there was such a large surplus as the books of the Treasury showed. The apparent surplus was only the gain in the difference between the price paid for the silver purchased and its coined value. At no time of late years has there been any considerable surplus beyond a good working balance for the Government. This surplus, thus easily accumulated, has been dissipated by the progress of events. The aggregate silver account to-day shows a loss of many millions between the price paid for silver and its market value, and, furthermore, if the Government ever makes up this difference, the real indebtedness will be greater by the difference between the legal value and the market value of the silver currency now in circulation.

The important question is, what policy shall be adopted? One of three ways is open for the Government. Either to increase taxation, to reduce the expenditures, or to borrow money. It will hardly be contended that the people will endure a policy of borrowing money to defray the ordinary expenditures of the Government in a time of peace. A few millions may indeed be borrowed for a short period to tide over the present condition of things, but of course the Government could not do this very long without destroying its credit and losing its high place among nations. The country is abundantly able to pay for all expenditures that ought to be incurred. This no one will deny; and, therefore, there is no possible justification for adopting a policy of permanent loans.

What then shall be done; diminish expenditures or increase taxation? We suppose that a policy of increasing the taxes on imports for protection would be popular with those who believe in that doctrine; but the last presidential election has clearly decided that for the present at least this policy must not be continued. It will not do, therefore, to increase taxes for such a purpose, though a considerable revenue might be received by adopting it. Increased taxes at all times are unpopular, and Congress will be slow, for any reason, to increase them; on the other hand, the reduction of expenditures once begun is almost as unpopular. The general opinion, however, seems to be that some reductions must be made, and especially in pension payments. This sentiment or opinion is by no means universal. It must be remembered that nearly thirty years have passed since the war closed, and time is revealing the fact that many whose lives were spared and who appeared to be strong then, were impaired by the hardships of war. Many therefore believe that the time is near at hand when all who took a part in the struggle should receive a pension on the ground that they were somewhat disabled by the trials they sustained. Of course, errors and frauds which have been committed in granting them ought to be rem-

edied. The system should be reorganized in the interests of justice, and if this was done the amount paid would doubtless be diminished. Probably the outcome of the situation will be a reduction of the expenditures to some extent and increase of the revenue from several sources. It is quite probable that a tax on sugar will be imposed, and if this is done and the appropriations for pensions, for rivers and harbors and new buildings lessened, the Government will have no difficulty in making both ends meet and thus escape from its present unpleasant position.

In view of the diminished revenues and the cessation of the payment of the debt one of the old questions, the life of the National banking system, has come to an end. In any event, the reduction of the debt in the future is likely to be very slow, so that the system has a long future before it, unless Congress should repeal the ten per cent. act on State circulation. If this should be done then indeed the State banks might have such advantages as to lead to the abandonment of the system, otherwise it is destined to endure for many years, and perhaps indefinitely.

Law Reform in Banking.—From time to time we have called attention to the work which banking associations may do in improving commercial law. Every person engaged in business knows that many of its principles are not fitted to our times. The continuance of the days of grace is a very good illustration; and the movement for their abolition will doubtless be successful. There will be found, in the present number of the MAGAZINE, an excellent address by Mr. J. J. P. Odell, president of the Union National Bank of Chicago, delivered before the Bankers' Club of that city, in which he sets forth in a clear and interesting manner some of the reasons for improving the laws of that State concerning negotiable paper. Whoever reads his address, unless familiar with the law, will be surprised that such principles exist as he has set forth, and which ought to be amended or abolished. This address should stimulate other bankers to labor in the same direction; indeed, there is no field in which bankers and banking associations can accomplish more.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL SITUATION.

The last month of the severest winter on record, for recent years, has not been characterized by any radical improvement in the business situation, when it has been about all the country could do to keep warm, from East to West, if not from North to South. The paralyzing breath of such extreme cold weather has affected every branch of trade, if not all industries. Transportation has been slow and difficult and expensive, both by land and sea, to say nothing of its increased dangers. Between ice in all our Atlantic harbors that has almost blockaded our foreign commerce, and snow blockades on most of our railways, from the interior to the seaboard, ocean and land transportation companies have had a most exceptionally poor, if not an actually unprofitable winter. The delay in the transfer of merchandise, under such circumstances, is something as incalculable, as it is general, and temporarily disastrous, in its effects, on almost all classes of trade, not only in loss of time and interest on money, but in the greatly increased expense of labor in doing a largely reduced volume of business. The aggregate of these losses, however, must be something enormous; and, especially to our transportation interests, upon which every other interest is more or less dependent, from the farmer and manufacturer who produce our crops and merchandise, and supply us with food and clothing, to the consumers of the necessities of life and of raw material, none of whom can pursue their daily walks of life without their assistance. To suspend, or to impede even partially and temporarily, entails a loss on everybody that cannot be recovered in a later rush of this accumulated volume of trade, which is always done at greater expense than under normal conditions. That an estimate, of the loss of a month's trade, during the last three, would be a conservative one, in the whole business of the sections of the country affected by this abnormally low temperature, appears probable, in view of the above facts; and, these conditions still generally exist throughout the northern half of the Atlantic States to the Rocky Mountains, at the end of the month and of the winter.

THE COAL TRADE

alone, of all the great industries, is the only one that occurs to the mind, in its survey of the business situation, that has not suffered more or less severely the past three months, and, even this has been conducted at such greatly increased expense. in

transportation and transfer, that it is doubtful if the coal companies and roads have derived any additional profit from the increased consumption. But they have been enabled to work off previous heavy accumulations, that were getting exceedingly troublesome and unmanageable, at the beginning of winter, and thus to avert a break in prices, that must have entailed severe losses, upon this interest, had we experienced a usually mild winter this year. Next to the coal trade, probably the iron trade has suffered least, from these unusual climatic conditions; for, to the surprise, even of those engaged in the latter, some branches of this great industry have actually improved during February, in the volume of orders taken, though prices have remained at the former low level that give little or no profit to the manufacturer, it is claimed. As a whole, however, the iron trade has improved its prospects for the coming season, in spite of the disadvantages under which it, with general business, has been, and still is laboring. The impetus, which this improvement, in the present status of the coal trade, and, in the prospects of the iron trade, will give to these industries and their allies, when these disadvantageous conditions shall disappear, as soon they must, with the advent of spring, will prove a distinct gain for the new year over the position, in which these two important industries were left at the close of the old year. This is about all that can be placed to the credit of the new year so far in the business world, on this side the Atlantic, at least, while the same extreme cold weather has produced similar or worse results in Europe. Fortunately, however, so far as now known the winter grain crops on both sides the ocean have escaped serious injury from this severe winter, excepting perhaps some sections north of the Ohio River from which the warm mantle of winter was removed by the early February thaws, to be followed by alternately freezing and thawing weather for the balance of the month, and alleged injury, to fields now uncovered by snow. These injuries are restricted however to the southern parts of the Northern winter wheat belt States and are by no means large nor general.

THE RAILROAD SITUATION

throughout the Northern States has, no doubt, been rendered much less encouraging by the severe winter; and the dividend-earning power of those systems for 1893 materially and generally reduced, not only from delayed and reduced traffic and increased running expenses, but also from frequent and serious accidents, resulting from generally crowded, and, in many cases, almost blockaded tracks and sidings, caused by these accumulations along all the Trunk lines from the seaboard to the Rocky Mountains. To such an extent has this been general, that notwithstanding

their reduced traffic there has existed a "car famine" at many of the leading western centers, because loaded cars could not be gotten through to the seaboard, unloaded and returned to the interior on time, nor anything like it. Chicago, the Northwest generally, and even the Southwest as far as Kansas City, are now unable to get all the cars they want for the shipment of grain and live stock, even with the greatly reduced farmers' deliveries, on account of the severe weather and bad country roads. Added to all these serious drawbacks to net earnings have been damage by the February floods in the Ohio River valley, and at other points east and west of that center of annual spring inundations. Damage from this source has not been general, however, as yet, for the reason that the last cold snap succeeded the first protracted period too soon to permit of a general thawing of the still deeper bodies of snow covering the line of States north of the Ohio and along the Lakes and the sources and tributaries of the Mississippi River. But when these break up damage from floods is likely to be serious and general throughout the Eastern, Middle and Western States, embracing the Trunk lines, coal roads, Mississippi valley roads and the Grangers. If two months' earnings are not wiped out this year by winter blockades and spring floods that were added to last year's surplus for dividends on the greater part of these Northern systems, they will be fortunate.

THE TUMBLE IN THE STOCK MARKET.

The effect has already been felt in the decline in railway shares, though, perhaps, not fully, although they have been dragged down in sympathy with the collapse of the Reading bubble that was blown so fast and furiously that it burst, and by the "Industrials," which the industrious Trust managers have been unloading as fast as any one would buy them, in anticipation of an extra session of Congress which would be likely to pay its respects to these monopolies, so soon as it has put the finances of the country on a safe and sound basis. These two chief causes of the February tumble in the Stock Market, however, were not due to the general conditions affecting railroad properties as described above, for the reason that Reading was helped instead of hurt by these conditions, as it was the chief beneficiary of the improvement in the coal trade, by reason of the exceptionally cold winter. Its financial structure simply fell because it was not built to stand, and the Industrials dropped because their managers know their days are numbered. It is doubtful, therefore, if the general railroad situation has been discounted in the February decline in the general railroad stock list. On the other hand, the drop in sympathy with Reading and the Trust stocks, may have offset the lost earnings of this winter, and most of our railways may be enabled

to sustain present prices upon a dividend basis) from their expected greatly increased passenger traffic during the World's Fair.

The check to general speculation and investment, caused by this unexpected shock to public confidence received by the panic in Reading, will, no doubt, leave the Stock Market without outside support, home or foreign, for a good while to come. Foreign demand, which had been returning slowly but gradually since the new year, has now no doubt been stopped temporarily thereby; for a large amount of the Reading securities are still held in England. Such a blow is not forgotten in a day; and a gradually narrowing and depressed stock market in the near future seems probable, except where stimulated by some such collapse as has been seen the past month. Neither are such losses as sustained during February overcome in months, and the Pools are now left to support their specialties alone against the emboldened attacks of the lately very successful Bears, who were able to overthrow and route three of the strongest Pools in the Street, namely, the Whiskey Trust, the Reading Syndicate, and the Sugar Trust managers. Which Trust is to come next, is now the question everybody is asking, and which the Bear leaders or Congress may answer before another month closes, should an Extra Session be called, as now seems likely. A stock market handicapped by such overweighted, overwatered and mismanaged concerns as these does not offer a very cheerful prospect for the Bulls for some time to come.

THE MONEY MARKET AND GOLD EXPORT

are also two elements of such uncertainty and gravity as to favor the Bear side in Wall Street, and, will remain such until legislation, which can scarcely pass before March 4th, shall remove the causes of the danger, from both these sources. An unusual and increasing demand for money from the interior has caused several sharp flurries in the money market the latter part of the month while gold exports continued on a liberal scale until near its close when they let up; but only temporarily it is feared, now that the growing foreign demand for our securities has been checked by the utter failure of the costly reorganization of the Reading, to which foreign investors largely contributed only a few short years ago. It would be utterly useless to attempt to forecast the future of the money and gold markets (for we may have a market for the latter again, soon), while there are so many elements of uncertainty, and so many unknown quantities in the situation. This feeling of distrust is noted, not only in the higher rates of money, notwithstanding the smaller stock exchange demand, due to the enormous shrinkage in stock exchange val-

ues, during the month, but in the desire of borrowers to make long loans, and a corresponding disinclination on the part of lenders to tie their funds up for any period, even at the higher rates ruling, and of the fact that we are going into the usually low money rate season of the year, after the first of April country settlements are made. It may be to provide against a larger volume of these settlements than usual, that the drain of money to the country has been so free of late. But this should have been offset by the lighter movement of farm products, owing to the severity of weather, blockaded roads and the car famine.

EFFECTS OF THE READING FAILURE.

As to the effect of the Reading losses, which were something simply enormous, as well as on the stock of its New England protégé; and, which fell heavily on the syndicate that has been so powerful as to back all its combinations and extensions, of the past brief, but eventful year, it is too soon to say. But it has surprised everybody that there have been no failures in the Street, though there have of iron companies in close relation to the Reading if not backed by it; and it will be strange if no further financial trouble comes out of this collapse, which, it is but just to say, at no time assumed the character of a panic. But whether the hostile interest to Reading, that precipitated the trouble, in order to check its further extensions and combinations in the Eastern States, have gained anything is doubtful. With Reading in the hands of a receiver and that receiver, the late president, still in control, it is not yet clear that the Reading combination is going to pieces, nor that the coal trade is not still under its control also. With only its expenses and guarantees now to meet, it is in a stronger position financially, by reason of its insolvency, and may be able to do its rivals more injury than before, so long as it can earn enough to meet its obligations to its leased lines and guaranteed operators, and therefore hold them in the combination, which might not have been done much longer out of a receiver's hands. That the receivership, was an alternative, not calculated upon, by the hostile interest, that is believed to have broken its stock and acquired a stock control at the first break to 36 to 37, now seems pretty certain. The subsequent break of nearly as much more, on the announcement of the receiver's appointment, before anybody could object, must therefore have fallen on those who engineered the break, while unable to secure control and loaded with the stock which is now as worthless for control as for investment. This equal division of the losses in Reading stock between the old syndicate and its antagonists probably accounts for the absence of failures; for both were financial giants, the latter credited

to New York and the former to Philadelphia. The plot therefore deepens and the tangle promises still worse complications in the end; for, if Reading could not make a success of its combination this year, what chance is there of its ever getting out of the hands of a receiver again, after this demonstration that the last reorganization was an utter failure except for the wealthy reorganizers, who feathered their nests at the expense of the poor security owners who will scarcely stand another plucking during this generation of investors.

THE PRODUCE MARKETS.

Depression or dullness, or both, have characterized most of the markets for domestic produce for the month. There have been occasional spurts of activity and periods of temporary strength on lighter movement of grain, or hogs or cotton to markets, and on reports of damage to winter wheat by the freezing following the February thaw. But in the case of grain, the supply has been too large, at home and abroad, and the demand too small, with increasing, rather than decreasing stocks at this season of the year, with a closer money market, and the Anti-Option bill before Congress, as well as financial measures that have tended to check speculation and investment because wheat was cheap, as was the case early in the season. The Bull clique in Chicago still holds on because it cannot let go. But Wall Street houses that bought it last fall have tired out and dropped it. The Chicago Bull clique in provisions have held hog products up at prices nearly double those a year ago, until the demand is now smaller even than the short supply of hogs, and values are falling back whenever they do not hold them up, and the supply of hogs is increasing with better roads and weather. The cotton Bulls have had their discouragements also, as consumption has not been up to expectations, nor the strikes in the English cotton industry settled, and the holders have had a dull, dragging market to unload on, or hold as they chose or were forced to do, with speculation as dead as in the other markets, in striking contrast to the first half of the crop year. The minor markets have been equally dull and featureless, while the ocean-carrying trade has suffered from bad weather, rough seas, low freights, and ice-bound harbors as badly as the land transportation interests, as our exports of cereals and cotton have been small, and of provisions scarcely half their usual volume since prices have been doubled. Even our flour exports which have hitherto held up the best as compared with a year ago of any export staples, have lately fallen off with an oversupply in England.

H. A. PIERCE.

BANK-NOTE CIRCULATION.

No plan for the continuance of the National bank circulation can well be considered of permanent or practical value that does not take into account two things, namely, the integrity of the notes issued under its provisions, and, secondly, the possibility of making it a vote-winning measure in Congress. For the most part, recent attempts at finding a substitute for our present bank-note system have resulted in many elaborate schemes having in view the first of these necessities, but, apparently, having little reference to the important considerations involved in the second. Herein they are lacking in what, under existent conditions in Congress, may properly be considered the most important element. It matters but little how wisely conceived, technically, a measure may be, or how well adapted to accomplish definite results; if it cannot be made to commend itself to the mature judgment of those upon whom its final enactment depends, it is no better, practically, than the most objectionable measure. The conditions that confront us in any attempt to legislate favorably to the National banks, even when such legislation has to do, primarily, with the public weal, are, to say the least, very peculiar. We have yet to learn of the representative of any political faith, or of any section of our broad domain, who is so enamored of his own conceit, as to be unwilling to acknowledge the undoubted value and practical utility of our present National bank notes. No attempt is made to disallow the *practical result* of the system as manifest in this direction, but, strange as it may appear, the *system* is, seemingly, hopelessly assailed. There is no need, in this connection, of passing upon the merits of the controversy which has been waged so long, and, at times, so acrimoniously, against the National banking system, only to observe that this feeling of antipathy, in congressional circles as elsewhere, appears to be the outcome of the mistaken notion that the banks have in the past been needlessly favored, are moneyed monopolies, and have, somehow, enriched themselves at the expense of a too confiding and credulous public. That this condition of things is what confronts the friends of the National banks to-day, is clearly apparent to anyone who has eyes to see or ears to hear what is enacted upon the floor of Congress, whenever any measure directly or indirectly favorable to said institutions is proposed for consideration. It is evident, then, that any measure looking to the continuance of the present system must be so framed as to effectually conciliate this open and avowed opposition. It becomes a serious and essential consideration how this may be accomplished.

standing, and thus guaranteed, let the balance from time to time be turned in to the Treasury as revenue. The 10 per cent. is to be kept good at all times as a guaranty fund to which all losses sustained by the Government in fulfillment of its contract with bill-holders will be charged. This, in brief, is the plan we would suggest. The practical working of it will be more apparent if we resort to authoritative figures in illustration thereof.

The National banking capital of the country is, in round numbers, \$700,000,000. Seventy-five per cent. of this amount is 525 million dollars. This would be the amount of circulation possible under this measure, and is about 200 millions more than the maximum figure in the best days of our present system. For its guaranty the Government would receive the tax of 3 per cent., as proposed, on 525 millions. It is an easy matter to determine that this would reach the significant sum of \$15,750,000 annually. If we had not before us the practical results of the working of our present system for a period of thirty years, it might be claimed that the risk assumed by the Government in pledging its credit to the payment of these notes, notwithstanding its preferred interest in the assets of the banks, would not be fairly and amply compensated. But what are the facts? During the thirty years of our present system, but $3\frac{1}{2}$ per cent. of the banks have become insolvent, resulting in an average annual loss to all creditors of but 1-20th of 1 per cent. If this is the record for thirty years past, covering, as it does, a period wherein have been witnessed times of financial convulsion of almost unexampled severity, as well as the throes of a gigantic civil war, it is, certainly, not unreasonable to assume that, under precisely the same system in other respects, the results of its operation for another generation will not be materially different. But, as will presently appear, our calculation would not be, practically, at fault if the losses should prove to be tenfold the present annual average.

Assuming, then, that the losses on the circulation, according to the foregoing calculation, would be the same as the average loss for the past thirty years, namely, 1-20th of 1 per cent., they would amount to \$262,500 annually; not a significant sum when compared with the revenue as computed, namely, \$15,750,000. In other words, the Government, after charging off all losses, would realize a net income of \$15,487,500 annually from the bank circulation. Then, if it was considered wise, as it doubtless would be, to create a redemption fund of 10 per cent. of the total circulation, to which to charge losses as they occurred, this would amount to \$52,500,000. The net income for three years would nearly realize this amount; after which time the Government would receive a net annual income of $15\frac{1}{2}$ millions from this source alone.

This, in brief outline, is the plan for continuing the National

bank circulation, which we would submit for the consideration of those interested: and which, we are bound to believe, has not a few merits. Let us look at some of them as they are presented to a partial observer.

To begin where we left off, the advantages of the large tax, which, by the way, may be increased to $3\frac{1}{2}$, or even 4 per cent. if necessary to satisfy the demands of the opposition, are chiefly two. The Government would thereby receive a large permanent revenue without the imposition of any corresponding burden, as is ordinarily the case with internal taxes. Then, as has been intimated, the feature of compelling the banks to contribute largely to the support of the Government, as an equitable return for the privilege allowed them, would tend to allay the hostility which so clearly prevails in certain quarters, under the misconceived idea that the National banks are privileged corporations, and, as such, have no right to exist. The force of this reasoning may not appear at once, but before any measure favorable to these institutions shall have run the gauntlet of our National Legislature, its significance will be fully appreciated. If a measure embodying some such feature as that we have endeavored to outline cannot prevail, we are forced to believe that the days of the National banks are surely numbered.

We are aware that it will be urged, in opposition to this measure, that the Government will assume unwarranted responsibility in the event of its placing its guaranty upon the bank notes thus issued. We see not how. The plan simply involves the application of the principles of the law of average as employed in all monetary institutions and assurance associations. By this law it has always been found that the maintenance of a certain small percentage of possible liabilities, as a reserve fund, is sufficient as a provision for shrinkages or losses. If thirty years' experience under most exacting conditions does not, assuredly, afford an adequate basis for computations regarding the average of possible losses by the National banks, then we may well look to the integrity of many similar data, derived, as they must be, from sources not a bit more reliable. We see no reason to doubt the entire wisdom and propriety of the Government assuming such responsibility.

The reasons for suggesting 75 per cent. as the proportion of circulation to be permitted, instead of the full amount of the bank's capital stock, are two. First, inasmuch as the assets of the banks are subject to a preferred claim for the redemption of outstanding circulation, it would seem wise to reduce the percentage of such claim to the total assets as much as possible, at the same time taking into account the public requirements for a circulating medium. Secondly, it is found that on the basis of this percentage such requirements would apparently be met. For, with the inducement

offered in the form of a moderate profit on circulation, the banks would not fail to take advantage of the privilege; and, upon the amount of National bank capital in the country at the present time, there could be issued by this plan, 200 millions more than was charged to the banks during the most palmy days of the existing system. And, of course, there would continue to be a legitimate growth of these institutions, which would provide for our future needs in the same direction.

Another possible objection to our plan, which it may be well to anticipate, is the preferred claim which the Government would hold against the assets of the banks. It will appear to some that other creditors of these institutions would, in the event of insolvency, hardly have a fair chance. Certainly, the Government would have the innings, for the time being, but, in effect, the same is true to-day. Under our present system, the capital of the banks is pledged in advance to secure the circulation. In other words, what would under the proposed plan be available as a legitimate asset, is now a pledged asset, and, consequently, beyond the reach of other creditors—a preferred claim on the part of the Government just as truly as in the other case. The only creditor to suffer by the change would be the Government, and its protection would be the proposed guarantee fund to cover losses.

In regard to the tax of 3 per cent. which has been suggested, it need only be said that this is, in a sense, arbitrary. Wisdom would dictate that it be made low enough to secure the co-operation of the banks. Profit is about the only inducement that will count for much with them. The days calling for patriotism in this direction are in the distant past. The margin between the tax and available rates for money should be sufficient to warrant the co-operation of the banks in all sections of the country. Three per cent. would certainly do this, and, possibly, a higher rate would satisfy. Then, the tax should be sufficiently onerous to disabuse the incredulous of the notion that these institutions, sired by the Federal Government, expect to be coddled and indulged to any greater degree than other offspring of the same paternal wisdom.

A long and intimate acquaintance with the practical working of our present National banking system as seen from within, not less than the ordinary experience and observation of its beneficent results in the commercial world during a quarter of a century, have forced home the conviction that it will be an evil day for this country when the system is suffered to die. The circulating medium, which is the product and the principal feature of the system, stands above reproach. Its equivalent, in all respects, has never been reproduced in this or in any other country. It is unique and pre-eminent among its kindred; a monument of the financial wisdom and penetration of its brilliant author. It can

and should be preserved in all its essential features. A return to the State systems of former days would be a calamity of most sweeping magnitude. We now have a uniform, stable, and universally acceptable bank currency. We would necessarily find independent State systems, even under most stringent regulations, essentially lacking in all these particulars. Introducing Federal supervision and control into the State bank system, as is proposed, is but an open acknowledgment of the excellence of one feature of the present system. Why not keep the system as it is? Modify it to suit the exigencies of the situation, if you will, but, above all things, preserve the integrity of our currency.

WM. WOODWARD.

BANK COLLECTIONS.*

[CONCLUDED.]

Though in New York a collecting bank is liable for the conduct of its sub-agent, a bank with which a check or other instrument is left for the purpose of having it collected may act simply as a transmitting agent to another bank. For example, in *Naser v. First National Bank*,† the drawers of a bill in London employed an agent, M. & Co., to transmit it to the First National Bank of New York—the place where the drawee lived—with instructions to collect the same on account of the drawers. The collection having been made, the amount was attached when in the possession of the bank in a suit against the drawers. The validity of the attachment turned on the question whether the bank was a sub-agent of M. & Co. or not, and the court held that M. & Co. were not employed to collect the draft, but rather to transmit it to the bank, which was, therefore, the principal agent to make the collection and liable for the amount.‡ Had M. & Co. been employed to make the collection then they would have been the bank's principal, and responsible therefor.§ In that event the payment to the bank would have been treated as payment to M. & Co., and they would have become the debtors of their principal on that account.||

And in all cases an express contract must govern.¶

* Copyrighted by HOMANS PUBLISHING COMPANY.

† 116 N. Y. 492.

‡ *Bank v. Triplett*, 1 Pet. 25.

§ *Colvin v. Holbrook*, 2 N. Y. 126; *Costigan v. Newland*, 12 Barb. 456.

|| *Warren Bank v. Suffolk Bank*, 10 Cush. 582, 586. If the payee of a bill indorse and deliver it to a bank to be transmitted to another bank for collection, and this is done, the second bank is the agent of the payee and answerable to him for any breach of duty in relation to the bill. (*Farmers' Bank v. Owen*, 5 Cranch C. Ct. 504.)

¶ *Bank v. First Nat. Bank*, 8 Bax. 101, 104; *Warren Bank v. Suffolk Bank*, 10 Cush. 582, 586. See *Mechanics' Bank v. Earp*, 4 Rawle 384.

As rival rules exist in the various States concerning the liability of a bank when a second bank or sub-agent is employed in making a collection, one rule holding that the first bank is only a transmitter to the other, the other rule holding that the first bank is primarily the agent and solely responsible for the conduct of the other—the place of performance of the contract sometimes is important in determining the liability of a bank. Thus, if the place of performance is in New York, the New York rule must apply, and the collecting bank in that place is liable for any negligence of its sub-agent, while in Massachusetts the transmitting bank would not be liable for the negligence of the bank which actually made the collection. This question arose in the case of the *St. Nicholas Bank of New York v. State National Bank of Tennessee*.* The New York bank sent to the Memphis bank a check for collection drawn on a bank in Texas. The Memphis bank sent it to bankers in Texas who were in good standing, and who collected the check and remitted the amount by sight draft on a firm in New York City. The Memphis bank received the draft and sent it to the New York bank for collection. Before presentment the payors had failed. The New York bank then sued the Memphis bank for the amount, which, however, claimed that it was a Tennessee contract, and that under the law of that State it was not liable. Had the question been determined by the Tennessee law, the bank would clearly have escaped payment, but it was held that this contention could not be sustained, for, in the absence of proof, it could not be assumed that the contract was made in Tennessee, nor was it to be performed there, but rather the performance was to be made in Texas and New York. The New York rule, therefore, was applied and the Memphis bank was held liable. The remarks of the court by Mr. Justice Earl are worth adding: "But it cannot be maintained that the contract between these parties was a Tennessee contract. It is by no means clear even that it can be held that the contract was made there. It does not certainly appear where it was made. It cannot be said that a new contract was made every time a piece of paper was sent by the plaintiff to the defendant for collection. There was a general contract between the parties which was either created by some negotiation or which grew out of the cause of business between them, that the defendant should collect the papers sent to it for the compensation to be allowed. If that contract was made by correspondence, the plaintiff making a proposition by mail and the defendant accepting it by mail, then, when the acceptance was put in the mail at Memphis, the contract was complete and had its inception there. If the proposition came from the defendant and was accepted in the same way in New York, then

* 128 N. Y. 26, 34.

it would have to be treated as made in New York. In the absence of more proof than we have here, it cannot be assumed that this contract was made in Tennessee. Nor is this to be regarded as a Tennessee contract, for the reason that it was to be performed there, so that the defendant can claim that its obligations and interpretation is to be governed by Tennessee law. We cannot perceive how any substantial part of the contract was to be performed in Tennessee. The defendant was to collect this draft in Texas, and pay its proceeds, less its compensation, to the plaintiff in New York, and so the contract was to be performed in Texas and New York."

In another case, a bank in Illinois, owning a draft on a person in North Carolina, transmitted it by mail to a bank in Wilmington in that State, with directions to collect and remit the proceeds. As this contract was to be wholly executed in that State it was governed by the law of North Carolina. Judge Wallace said: "The place of performance of a contract is generally a controlling consideration by which to determine the *lex loci contractus*, and where, as here, the contract was both made in North Carolina and was to be performed there, it is clear that the case must be controlled by the law of that State."*

Wherever the first rule prevails the owner can look only to the bank with which he has deposited his paper for redress in the event that it does not fulfill its duty. There is no privity of contract between him and sub-agents that may be employed in making the collection. They are answerable to the bank that employed them for every default of duty, but not to the depositor. Says Mr. Justice Allen:† "As agent under an obligation to collect the bill for the owner, the plaintiff was authorized to contract with another to perform that duty, and from the right to contract results the right to enforce the contract by action; and as the indorsee of the bill under the business arrangement existing within it, and its immediate indorser, the plaintiff, had the possession of the bill coupled with an interest which entitled it to make and enforce the contract with the defendants, which is the foundation of this action, or any other legal contract, either for the transfer or collection of the bill, so that in either capacity the action is properly brought by the plaintiff."‡

In like manner if a draft is deposited with a bank and instructions are given concerning its collection, which are disregarded, the depositor cannot hold the sub-agent liable unless they are known by him. Quite frequently letters are written to the depository

* *Kent v. Dawson Bank*, 13 Blatch. 237. 238.

† *Commercial Bank v. National Bank*, 11 N. Y. 203, 213.

‡ *Corn Exchange Bank v. Farmers' Nat. Bank*, 118 N. Y. 443, 448; *Montgomery Co. Bank v. Albany City Bank*, 7 N. Y. 459.

bank, or by the principal bank, perhaps, to another, which are not transmitted to the final agency with the draft itself. Of course, whatever directions may have been given in the way of indorsements are known to all the indorsees, who must act accordingly, but letters or verbal instructions surely have no force only among those who know of them.

Though there be no privity of contract between the depositor and sub-agent, but only with the bank which has received the paper for collection, the depositor can recover the proceeds of any sub-agent who may happen to have them. No contract relation need exist to do this. As the money belongs to the depositor he has a right to it, and also to the paper itself. Thus, M., who owned a note and draft, indorsed them in blank and delivered them to the State Bank of West Virginia with a letter of instructions to collect the same. It sent them to the defendant bank with an indorsement that they were for collection. Before either was collected the State Bank failed, owing the other for overdrafts. M. demanded the note and draft of the defendant bank, but it refused to give them to him, and claimed that it could rightfully apply the proceeds on the indebtedness of the State Bank. M. having assigned the note and draft to the plaintiff, it was decided that he could recover them of the latter institution.* "It does not follow," says Mr. Justice Bradley,† "that the correspondent of the collecting agent, unless he has made advances to the latter in good faith upon the paper, can, as against the owner, retain the proceeds of it. The latter may revoke the agency he has conferred, and seek the paper or its proceeds in the hands of such correspondent, or he may follow it and reach them until it or they have found their way into the hands of a *bona fide* holder, for value, who has taken it from the party clothed with the apparent title. This is an equitable right not necessarily resting in privity of contract with the party from whom such relief is sought. The occasion for it usually arises from the insolvency of his collecting agent, or some other cause rendering such remedy desirable for his protection."‡

But if a sub-agent collects the paper and sends a draft for the amount, drawn by a bank in good standing on another doing business in or near the same place as the bank from which the paper started, the sub-agent has fulfilled its duty and is not responsible should the principal collecting bank not obtain payment of the

* *Stark v. United States Nat. Bank*, 41 Hun. 506; *Patriotic Bank v. Farmers' Bank*, 2 Cranch C. Ct. 560; *Camden v. Doremus*, 3 How. 515.

† *Naser v. First Nat. Bank*, 116 N. Y. 492, 499.

‡ *Warner v. Lee*, 6 N. Y. 144; *Commercial Bank v. Marine Bank*, 1 Abb. Ct. of App., Dec. 405; *Dickerson v. Wason*, 47 N. Y. 439; *Farmers & Mechanics' Nat. Bank v. King*, 57 Penn. 202.

more thoroughly this case is examined the more clearly does it appear that the decision was a subterfuge to escape the application of the rule whereby a bank is liable for the negligence of a sub-agent.

The principal, or first bank, should convey proper information to the sub-agent to enable it to act in an intelligent manner in making the collection. If a banker of St. Paul, Minnesota, for example, should receive a note for collection payable at St. Anthony, and was informed that there were two persons of the same name as the indorser, one of them residing at St. Paul and the other at Nininger, not far away, and that the one residing at the latter place was the indorser, the banker should convey this information to the agent employed at St. Anthony to collect the note. "No custom," said the court in a case of this kind, "could absolve the banker from this duty, as it was the very essence of his undertaking the fixing of the liability of the indorser."* A firm in Michigan left for collection with a bank in that State a sight draft for \$500 on J. C., treasurer of a corporation in Connecticut, which sent the same to the defendant bank with directions to "return at once without protest if not paid." It presented the draft to the drawee, who replied that he would look up his account with the drawers and inform the cashier with regard to payment. The drawers had also written to J. C. that such a draft had been forwarded, and he wrote in reply: "The \$500 draft has been received and paid. Don't draw any more." On the receipt of this letter the drawers showed it to the Michigan bank, which, believing that the draft had been duly paid, also paid the drawers \$500. J. C., the drawee, was also the president of the defendant bank, and this fact was known to the one in Michigan. Several days later the cashier returned the draft unpaid, which was his first information to the Michigan bank with regard to the matter. It then demanded repayment of the drawers, which was refused. They were solvent, but had no visible property, and the claim could not have been collected without much difficulty. It was held, first, that the defendant bank, as agent of the other for the collection of the draft, had been guilty of negligence in not obtaining payment of the draft or returning it at once to the Michigan bank. Second, that payment by the Michigan bank to the drawers, on the statement of the drawee to the drawers that the draft had been paid, would not have been made if the defendant bank had performed its duty, consequently it was liable for the actual damages resulting from its neglect. Third, that these damages were to be regarded as the whole amount paid by the plaintiff bank to the drawers, and that it had a right to recover this sum, although it had a right of action for the whole amount against them.

* *Borup v. Nininger*, 5 Minn. 523, 552.

part of the country. From the nature of such ramified institutions, we must conclude that the public impression will be that the agency invited customers on the very ground of its facilities for making distant collections. It must be presumed from its business connections at remote points, and its knowledge of the agents chosen, the agency intends to undertake the performance of the service which the individual customer is unable to perform for himself. There is good reason, therefore, to hold that such an agency is liable for collections made by its own agents when it undertakes the collection by the express terms of the receipt. If it does not so intend, it has it in its power to limit responsibility by the terms of the receipt." *

FINANCIAL FACTS AND OPINIONS.

The Government Aided by the National Banks.—Complaint is frequently heard that the banks have no regard either for the public or for individuals. Of course, this complaint is usually without foundation; from the time the banks offered to lend the Government one hundred and fifty millions in 1861 to the present, there have been many occasions on which they have shown their true regard for the public interests. A few days since when the gold reserves ran to a low point the National banks promptly offered to replenish the Treasury by exchanging a portion of their gold for legal tender notes. In this way the Treasury acquired about eight millions of gold. So long as the banks are willing to do this the only limit is the amount of legal tender notes which the Government may have in its possession to exchange for gold. The banks realize the danger of abandoning gold payments simply for silver. Their interest is in harmony with that of the public, and they have shown much wisdom in thus trying to strengthen the Government in its hour of need.

Legal Protection Against Slandering Business.—The State savings banks of France contain about \$750,000,000, or more than one hundred dollars per house for the whole population. As the deposits are invested in Government loans the depositors are usually strong defenders of the solvency of the State. State bankruptcy in France would mean, among other things, the actual loss of the capital which these institutions have accumulated. Notwithstanding their popularity they are attacked from time to time, and generally without cause. Of late the people have been implored not to put

* *Morgan v. Tener*, 83 Penn. 305; *Hoover v. Wise*, 91 U. S. 308, 315; *Cobb v. Becke*, 6 Q. B. 930; *Weyerhauser v. Lee*, 83 Pa. 416. In *Bullitt v. Baird*, 27 Leg. Int. 171, the receipt restricted the liability of the collector.

their savings into these banks "with false bottoms." It is said that the peasants have been met at the doors of the banks by emissaries who have persuaded them not to deposit their money, and a considerable number of them have begun to withdraw their accounts. They are always described as an excessively timid class, and the disclosures concerning the Panama Canal Company have awakened their fears. These charges concerning the management of the savings banks led the ministry to introduce a bill making the publication of any wrong statement concerning them punishable by imprisonment for a period not exceeding two years, and a fine not exceeding two thousand dollars, which was carried by a vote of 327 to 128. The practices which are the origin of this legislation are by no means confined to France; business men and corporations everywhere are subject to similar attacks, some of which, of course, are true, while others are not, or only partly so. Some laws exist for punishing such wrongs, but they are inadequate in most of the States. It is singular how the public have come to endure these charges when made in some quarters, especially in the exchanges. Perhaps one reason for this is that the false charges and canards of one kind and another which are there daily invented are instantly denied, yet many of them have the designed effect for a time at least. It would seem as though one's business ought to be protected against assaults of this kind quite as clearly as one's character.

Gold Exports.—Gold exports continue, and unless some way shall be devised for stopping them at the present rate a prophet is not needed to declare when all the gold will disappear. The friends of silver rejoice over the disappearance of gold because they think the exodus will hasten the time when silver payments must come into vogue, and the yellow metal as a standard of payment become a thing of the past. There are always two money parties in every country; one believing in a cheap money, the other in money which possesses the element of stability. In this country the cheap money party has sometimes been in the ascendancy and at all times has not been without influence. Just now its voice is strong, and there is an evident inclination among the people to suffer that party to have its way. The gold may go never to return; a few months will probably settle the question one way or the other.

State Bank Issues.—Notwithstanding the fact that so long as the ten per cent. tax imposed by Congress on State bank issues remains it will be an effectual bar to State bank note circulation, Legislatures in many of our States are either enacting laws providing for such circulation, or, at least, have introduced and are discussing measures of this character. Their desire is clearly

shown by introducing and advocating them, and if the National tax was repealed doubtless many of the Legislatures long before this would have authorized the creation of State bank issues. In the last number the bills introduced into the Georgia and North Carolina Legislatures were given, since then similar bills have been introduced into the Legislatures of other States.

Bad Banking in Italy.—Several serious bank failures have occurred recently in Italy which involve many names prominent in Italian politics. It appears that the irregularities which have just come to the surface have been going on for several years, but have been covered up by the efforts of prime ministers and other Government officers. In 1889 the Tiberina bank was deeply involved in building speculations in Rome and on the verge of bankruptcy. In response to their appeal to the Government, Messrs. Crispi, Minister of the Treasury, and Giolitti, now Prime Minister, required the National bank to advance ten millions, which were never refunded and on which no interest was ever paid. While this bank was undergoing examination an inquiry was made into the condition of several other Italian banks. An elaborate report was made showing their condition and involving several Government officers. A few weeks ago the Government submitted to the Legislature a proposal for a six years' extension of the banking law which has hitherto been in force, and which is now about to expire. Great was the consternation of the ministers when they found that the measure was opposed by a Sicilian Radical deputy named Napoleone Colaianni, who has played in the Italian parliament the same rôle as that enacted by Deputy De la Haye in the Palais Bourbon at Paris. Almost at the very outset of his speech against the projected bill he confronted the ministers with the damaging report of Senator Alvisi above referred to as having been kept secret by the Government. No one knows how it has come into his hands. His charges, founded on the paper in his hands, were directed principally against the great Banca Romana, and consisted, among other things, of an assertion that it kept a duplicate series of notes (each set bearing the same numbers) in circulation, thus fraudulently exceeding its legal issue by 100 per cent. It is calculated that by this means the bank has an illegal circulation of some \$6,000,000. This state of things, repeated in a smaller degree by the other banks of emission, had become known during the last two or three years, and has led to the institutions in question being blackmailed by various statesmen, Government officials and politicians under threats of exposure. It is asserted by Deputy Colaianni, who bases his statements on documentary proof, that not only the Banca Romana, but also the other banks

involved, hold in their portfolios an immense number of promissory notes signed by various personages of prominence and influence. These have until now been termed "patriotic notes," and have been renewed from time to time, without either signatures or indorsers being called upon to pay them. Deputy Colaianni showed that \$2,000,000 in the current accounts of the Banca Romana had been opened abusively, and that the same institution had divided \$2,400,000 among friends worthy of special consideration. Considering that some 150 Senators and Deputies are compromised by these revelations, it is not surprising that such extraordinary latitude has been allowed to the bank in its operations. Badly as American banks have sometimes been managed no disclosures have hardly equaled these. The Panama scandal and the distribution of the secret fund of the German Government, also, have quite equaled anything in the way of political performances that have happened in our own country. Even the Credit Mobilier operations, which involved so many persons, was hardly worse than the management of these Italian banks, the Panama scandal or the management of the Guelph fund by the German Government.

Set-Off of a Customer's Deposit against his Matured Note.—On several occasions banks have failed holding paper of customers on which they were liable, and which had not matured at the time of their failure, and having also deposits belonging to them. The question has arisen in these cases whether the deposit could be set off against such an obligation. An opinion was given in response to this inquiry in the MAGAZINE before any of these recent cases had been decided to the effect that such a deposit might be applied in reduction or payment of the note. Since then a number of decisions have been rendered by the several State courts maintaining a similar opinion, and which have appeared in our pages. The St. Louis Court of Appeals, however, and the Federal Court for the Southern District of Ohio, have rendered a contrary opinion. The Ohio decision, however, was appealed, and an opinion has been rendered by the United States Supreme Court holding that a deposit may be thus applied. This decision appears in the present number. The question is thus settled by the highest court, and which is applicable to all National banks. All of the several State courts, with the single exception above mentioned, and that of the State of New York, have maintained a similar opinion. The Court of Appeals of New York has, indeed, decided the question the other way, and thus again has settled a principle of banking law contrary to that prevailing in other States. It may also be remarked there is often conflict between the decisions rendered by the New York courts and those rendered by the

tribunals of other States; and it must also be added that some of the most important principles of banking law decided by the New York courts are wrong, if the decisions by the courts in other States are correct. This latest adjudication by the New York Court of Appeals furnishes a good illustration of the attempt to fuse the principles of law with those of equity. Long ago it was remarked by Professor Pomeroy, whose work on equity jurisprudence has a high place in legal literature, that the gravest consequence of abolishing the distinction between law and equity would be the sacrifice of equitable principles. The principle of set-off is of an equitable nature, and the courts of New York, instead of looking at this question as one of equity, have looked at the question as one of law, and therefore have denied the right of the set-off of a customer's deposit to his matured note on such occasions. Courts of equity have had no difficulty whatever in deciding the question the other way, and we venture to say that the decision of the Court of Appeals would have been quite in harmony with all the decisions rendered by the courts in that State if the distinction between principles of law and equity had been kept clearly in sight.

State Bank Statistics.—The Senate, last July, directed the Secretary of the Treasury to prepare some information relating to the capital, circulation, and specie of the State banks from 1830 to 1863. In response to this resolution, the Secretary submitted the following statistics:

	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
1811—			
Bank of the United States..	\$10,000,000	\$5,400,000	\$5,800,000
State banks.....	52,601,601	28,100,000	15,400,000
1815—			
Bank of the United States..	.....	.....	.....
State banks.....	82,259,590	45,500,000	17,000,000
1816—			
Bank of the United States..	.....	.....	.....
State banks.....	89,822,422	68,000,000	19,000,000
1820—			
Bank of the United States..	35,000,000	3,589,481	3,392,755
State banks.....	137,110,611	44,863,344	19,820,240
1830—			
Bank of the United States..	35,000,000	12,924,145	7,608,076
State banks.....	145,192,268	61,323,898	22,114,917
1834—			
Bank of the United States..	35,000,000	19,208,379	10,039,237
State banks.....	200,005,944	94,839,570	.....
1835—			
Bank of the United States..	35,000,000	17,339,797	15,708,369
State banks.....	231,250,337	103,692,495	43,937,625
1836—			
Bank of the United States..	35,000,000	23,075,422	8,417,988
State banks.....	251,875,292	140,301,038	40,019,594
1837—			
Bank of the United States..	35,000,000	11,447,968	2,638,449
State banks.....	290,772,091	149,185,890	37,915,340
1838—			
Bank of the United States..	35,000,000	6,768,067	3,770,842
State banks.....	317,636,778	116,138,910	35,184,112

	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
1839—			
Bank of the United States..	\$35,000,000	\$5,982,621	\$4,153,607
State banks.....	327,132,512	135,170,995	45,132,673
1840—			
Bank of the United States..	35,000,000	6,695,861	1,469,674
State banks.....	358,442,692	106,968,572	33,105,155

The capital, circulation, and specie of the banks in the United States from 1834 to 1860 is shown in the following table, with averages for various periods of years, in millions of dollars:

<i>Date.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
1834.....	\$200,005	\$94,840	.....
1835.....	231,250	103,692	\$43,937
1836.....	251,875	140,301	40,019
1837.....	290,772	149,186	37,915
1838.....	317,636	116,139	35,184
1839.....	327,132	135,171	45,132
1840.....	358,442	107,000	33,105
	<hr/>	<hr/>	<hr/>
	\$1,977,112	\$846,329	\$235,292
Average, 7 years.....	282,444	120,904	39,215
1841.....	\$313,608	\$107,290	\$34,813
1842.....	260,171	83,734	28,440
1843.....	228,861	58,564	33,000
1844.....	210,872	75,168	49,898
1845.....	206,046	89,608	44,241
	<hr/>	<hr/>	<hr/>
	\$1,219,558	\$414,364	\$190,392
Average, 5 years.....	243,911	82,872	38,078
Average, 12 years.....	266,389	105,058	38,698
1846.....	\$196,894	\$105,552	\$42,012
1847.....	203,070	105,500	35,132
1848.....	204,838	128,506	46,300
1849.....	207,310	114,740	43,620
1850.....	217,317	131,367	45,380
	<hr/>	<hr/>	<hr/>
	\$1,029,429	\$585,665	\$212,444
Average, 5 years.....	205,885	117,133	42,488
Average, 17 years.....	248,594	108,609	39,883
1851.....	\$227,807	\$155,165	\$48,670
1852.....	.....	.....	.....
1853.....	225,270	146,072	47,338
1854.....	301,376	204,689	59,410
1855.....	332,177	187,000	53,944
	<hr/>	<hr/>	<hr/>
	\$1,086,630	\$692,926	\$209,362
Average, 5 years.....	271,657	173,231	52,340
Average, 22 years.....	252,987	120,918	42,374
1856.....	\$347,423	\$195,747	\$59,314
1857.....	370,834	214,779	58,300
1858.....	394,622	155,208	74,412
1859.....	401,976	193,307	104,537
1860.....	421,880	207,102	83,594
1861.....	429,592	202,005	87,674
1862.....	419,761	183,938	102,207
	<hr/>	<hr/>	<hr/>
	\$2,786,088	\$1,352,086	\$570,038
Average, 7 years.....	398,012	193,155	81,434
Average, 29 years.....	289,243	138,977	52,501

RECAPITULATION OF AVERAGES.

7 years, 1814-1840.....	\$282,444	\$120,904	\$39,215
5 years, 1841-1845.....	243,911	82,872	38,078
5 years, 1846-1850.....	205,885	117,133	42,488
5 years, 1851-1855.....	271,657	173,231	52,340
7 years, 1856-1862.....	398,012	193,155	81,434

INDORSEMENT OF CHECKS BY AN AGENT.

SUPREME COURT OF TENNESSEE.

Jackson v. National Bank.

A commercial traveler, employed to sell and take orders for goods, to collect accounts, and receive money and checks payable to the order of his principal, is not by implication authorized to indorse his principal's name on the checks; and a bank paying a check on such indorsement will be responsible to the principal.

HOLMAN, J.—The complainants were wholesale grocery merchants in the city of Nashville, and had in their employ as a traveling salesman or drummer one Gibson. Gibson's duty, under his employment, was to travel through the country, take orders from retail merchants for goods, and collect the bills as they became due. For complainants Gibson sold a bill of goods amounting to \$228.90 to J. J. Meadows, of Warren County. On October 12, 1891, before Meadows' bill became due, and while Gibson was still in the service of complainants, he proposed to Meadows that, if he would then pay the bill, he would be allowed a discount of 2 per cent. To this Meadows agreed, and gave to Gibson his check on the defendant for \$224.39, payable to the order of Jackson, Mathews & Harris. On the face of the check was inserted the statement that it was "in full of acct. to date." Upon the back of the check Gibson indorsed the names of complainants, "Jackson, Mathews & Harris, by Gibson," and presented it to the defendant bank, where it was paid to him by the cashier, and charged against the deposit account of Meadows. Gibson failed to pay over or account to complainants for this money. Complainants having learned that Gibson had collected other money due them, and failed to account for it, ordered him in, and discharged him. Gibson absconded. Subsequently complainants sent to J. J. Meadows a statement of his account, requesting payment. Meadows replied that he had paid the account to Gibson by giving him a check on the defendant bank, and had settled with the bank, and taken up the check. Complainants demanded of defendant payment to them of the check, which was refused. Complainants filed their bill to hold the bank liable, and to recover the amount of the check, alleging that Gibson had no right to indorse complainants' name, and that the payment of the check to him was unauthorized. The defendant answered, stating, in substance, that Gibson was authorized to indorse complainants' name to checks and receive the money thereon; that, if not expressly empowered, he was by implication authorized so to do; that Gibson, while in complainants' service, had frequently received checks payable to complainants, indorsed complainants' name, and received the money thereon, and that these acts of Gibson were known to and had been ratified by the complainants; that they were estopped from denying his authority, and that it was inequitable for complainants to undertake to visit the consequences of their own negligence and misplaced confidence upon respondent. The chancellor being of opinion that it would be inequitable to visit the loss of the Meadows check upon the defendant, as to it he dismissed the bill. Complainants have appealed.

In the brief of counsel for the defendant it is insisted that there is no such privity between the complainants and the defendant as will authorize the bringing of this suit; that, where a check is made payable to the order of one person, and upon the faith of a forged indorsement the bank pays to another, this is not such an acceptance by the bank as will

make it liable to the payee, because the bank did not accept the check for the payee, nor promise him to pay it, but on the contrary refused to do so. To sustain this proposition, the case of *Bank v. Whitman*, 94 U. S. 343, is referred to. It is true that the court in that case held that a payment to a stranger upon an unauthorized indorsement does not operate as an acceptance of the check so as to authorize an action by the real owner to recover its amount as upon an accepted check. But the case of *Bank v. Whitman*, on this point, has been expressly dissented from by this court, and we do not now regard this as an open question in this State. In the case of *Pickle v. Muse*, 88 Tenn. 380, 12 S. W. Rep. 919, it was decided, in the opinion of a majority of the court, that acceptance of a bank check, and promise to pay it in accordance with its directions, will be inferred when the drawee bank receives and retains the check, and charges it to the account of the drawer, who had sufficient funds on deposit to meet it, and subsequently lifted the check on settlement with the bank, although the check may have been presented to the bank by, and the money paid on it to an unauthorized person. All the members of complainants' firm testify that Gibson had not been empowered to indorse the firm's name on checks received in payment of goods. Several drummers were examined as witnesses for defendant to prove, and a majority of them say, with some qualification, that it is the usage and custom of traveling salesmen and drummers, who are empowered to collect and receipt bills and accounts, to indorse the names of their principals to checks received in payment for goods; and it is insisted that by implication Gibson was authorized to indorse complainants' name to the check and receive the money. We do not think the usage or custom sufficiently proven, nor do we intimate an opinion that such a power can be inferred from usage or by implication. A person cannot by proof establish a usage or custom which, in his own interest, contravenes the established commercial law. (*Vermilye v. Express Co.*, 21 Wall. 139.) No authority will be implied from an express authority. Whatever powers are strictly necessary to the effectual exercise of the express powers will be conceded to the agent by implication. In order, therefore, that the authority to make or draw, accept, and indorse commercial paper as the agent of another may be implied from some other express authority, it must be shown to be strictly necessary to the complete execution of the express power. The rule is strictly enforced that the authority to execute and indorse bills or notes as agent will not be implied from an express authority to transact some other business, unless it is absolutely necessary to the exercise of express authority. (Tied. Com. Paper, § 77.) Possession of a check payable to order, by one claiming to be agent of the payee, is not *prima facie* proof of authority to demand payment in the name of the true owner. (*Id.* § 312.) A bank is obliged by custom to honor checks payable to order, and pays them at its peril to any other than the person to whose order they are made payable. (*Id.* § 431.) It must see that the check is paid to the payee therein named upon his genuine indorsement, or it will remain responsible. (*Pickle v. Muse*, 88 Tenn. 380, 12 S. W. Rep. 919.) An authority to receive checks in lieu of cash in payment of bills placed in the hands of an agent for collection does not authorize the agent to indorse and collect the check. (*Graham v. Institution*, 46 Mo. 186; 1 Wait, Act. & Def., p. 284; 1 Daniel, Neg. Inst., § 294.) The indorsement of the check was not a necessary incident to the collection of accounts. (*Graham v. Institution*, 46 Mo. 186.) It follows that a drummer or commercial traveler, employed to sell and take orders for goods, to collect accounts, and receive money and checks payable to the order of his principal, is not by implication authorized to indorse such principal's

name to such checks. No equitable consideration can be invoked to soften seeming hardships in the enforcement of the laws and rules fixing liability on persons handling commercial paper. These laws are the growth of ages, and the result of experience, having their origin in necessity. The inflexibility of these rules may occasionally make them seem severe, but in them is found general security. The decree of the chancellor is reversed, and a decree in favor of complainants against the defendant will be entered here for the amount of the Meadows check, with interest from date of filing the bill, and the costs.—*Southwestern Reporter*.

INSOLVENT BANK—COLLECTIONS—TRUSTS.

SUPREME COURT OF MICHIGAN.

Sherwood, Banking Commissioner, v. Milford State Bank.

A general depositor of a bank, who had a balance equal to the amount of his note held by the bank for collection, drew his check on the bank for the amount of his note, which was accepted by the cashier, and charged against his balance, and he received his note as paid. Shortly afterwards the bank failed for a large amount, due principally to its depositors, most of which was owing at the time of this transaction. No money was realized from the check, and no use was made of it to pay off the debts or increase the assets of the bank. *Held*, that the facts were not sufficient to create a trust in favor of the owners of the note.

DURAND, J.—The petition was filed in this case for an order directing Edward J. Bissell, as receiver of the Milford State Bank, to pay to the petitioners the sum of \$488.40, with interest from August 31, 1891. The evidence shows that the petitioners, on August 18, 1891, sent to the bank for collection a note for that sum, given by W. W. Crippen, the receipt of which was acknowledged by S. H. Wilhelm, the cashier. Crippen was a general depositor of the bank, and on August 31, 1891, had a credit on its books for money which he had deposited from time to time before that date, equal to or greater than the amount of the note. On that day he drew his check for the amount, and gave it to the cashier, who accepted the check, and charged it up against Crippen's account, and delivered up the note to Crippen as paid. The cashier did not forward the money, and, not receiving any returns, the petitioners, on September 15th, wrote to inquire about it, and were informed that the bank had failed, and was in the hands of a receiver. The petitioners insist that the acceptance of the check by the cashier in payment of the note, as stated, is the same in effect as though the money had been actually paid into his hands by Crippen, and by him put into the other funds of the bank to the benefit of the general creditors, or traced into the hands of the receiver, and thus giving them the right to claim that in equity the above amount of money shall be considered as a trust fund in the hands of the receiver, which should be paid to them by him in full, and without regard to the claim of the other creditors of the bank. The receiver contends that the relation of trustee and *cestui que trust* in relation to this amount does not exist, and bases his contention upon the fact that there was no payment of money for the note by Crippen; that, as a matter of fact, in consequence of the insolvent condition of the bank on the day Crippen gave his check in payment of the note, he had no money on deposit, but only a credit on account of deposits which he had made at different times before that date. The bank failed on September 9, 1891, and the undisputed testimony shows that at that time the indebtedness, due to its

depositors principally, amounted to upwards of \$109,000, most of which was owing on August 31, 1891; that the only cash turned over to the receiver was \$32.74; that there was not much over \$500 cash on hand in the bank at the time the Crippen check was given on August 31st; that at that time the bank, besides the general indebtedness stated, was indebted to various parties, on account of collections made for them in the usual way customary with banks, to the amount of \$2,000 and upwards, which class of indebtedness was increased, until it amounted to more than \$3,300 at the time of the failure. No money was at any time set apart for the petitioners by the cashier of the bank on account of the Crippen collection, nor is there any attempt to show or claim made that any money was actually paid by Crippen at the time the note was delivered to him or afterwards on account of this collection, which in any way added to the general assets of the bank, or which could in any way be of benefit to the general creditors of the bank. Neither is any showing made that the check, or its proceeds, in any way got into the hands of the receiver as assets of the bank, or that any of the proceeds or results of that transaction were invested in any property, or used by the bank either to pay off its debts, or to increase its assets in any manner at all beneficial to the other general depositors of the bank. If the bank had been paid the money for the note, or if, having taken the check as it did, it had taken the money which it represented, and in either case converted it into another fund or other assets, and it could have been traced into the hands of the receiver by the petitioners, their right to the order asked for would be clear, under the general rule that, when property held upon trust to keep, use, disburse, or invest in any particular manner is misapplied by the trustee, and converted into different property, or sold, and the proceeds thus misapplied, the property may be followed wherever it can be traced through its transformations, and will be subject, when found in its new form, to the rights of the original owner or *cestui que trust*. (*Cook v. Tullis*, 18 Wall. 341; *Neely v. Rood*, 54 Mich. 134, 19 N. W. Rep. 920; *Pierce v. Holzer*, 65 Mich. 263, 32 N. W. Rep. 431.) But in all these cases it is held that the fund must be clearly traced into the hands of the person sought to be charged, and that if the trust property does not remain, but has been made away with by the trustee, the *cestuis que trustent* have no longer any specific remedy against any part of his estate in his insolvency, but they must come in *pari passu* with the other creditors, and prove against the trustee's estate for the amount due them. This rule has been as steadily adhered to by the courts both of this country and of England as any rule which has ever been adopted for the protection of the general creditors of a bankrupt or of an insolvent. It is not seriously contended that the claim of the petitioners comes within the rule stated, but it is insisted that they have the right to the order asked for, under the principle asserted in *Carley v. Graves*, 85 Mich. 483, 48 N. W. Rep. 710, in which Mr. Chief Justice Champlin says, in relation to the trust fund then under consideration, that "it cannot be specifically traced, but there is enough in the proof to warrant the inference that it has mingled the trust fund with its own individual means and has rendered it impossible to be specifically traced into other property in its hands, and that it has been used by the company either to pay off its debts or to increase its assets. In either case it would be to the benefit of its estate;" and under those facts he applied the principle laid down by a divided court in *McLeod v. Evans*, 66 Wis. 401, 28 N. W. Rep. 173, 214, in support of the position, and held that the petitioner was entitled to the order. Without discussing the extent which the language used in that case would

seem to imply a departure or rather an enlargement of the general rule first stated, it is sufficient to say that no such condition exists here. There was no appropriation of the proceeds of the check—no mingling of the money realized from it with the assets of the bank for its own benefit—as there was no money realized from it, nor any use made of it by the bank, either to pay off its debts or to increase its assets. For these reasons no possible benefit could accrue to the general creditors of the bank on account of the transaction referred to. To adopt a rule which would permit the petitioners, under the facts in this case, to impose upon this transaction the character of a trust, enforceable as such against the receiver, without either tracing any of its results into his hands or showing that it was for the benefit of those who have an interest in the assets, thus enabling them, with others similarly situated, to convert to the payment of their own debt the assets of the bank, to the exclusion of the general depositors, whose money, as it is plain to be seen from the record, was the source from which all the assets of the bank were obtained, would be grossly inequitable, and would be an unwise departure from those safe rules which the courts have adopted and very generally adhered to in relation to the rights and obligations existing between trustees and *cestuis que trustent*. It follows that the decree of the court below, dismissing the petition in this case, must be affirmed, with the costs of this court. The other justices concurred.—*Northwestern Reporter*.

SET-OFF OF A DEPOSIT AGAINST A NOTE NOT DUE WHEN THE DEPOSITORY BANK BECAME INSOLVENT.

SUPREME COURT OF THE UNITED STATES.

Scott et al. v. Armstrong.

Farmers & Merchants' State Bank et al. v. Armstrong.

Rev. St. §§ 5,234, 5,236, 5,242, which require a pro rata distribution of the assets of an insolvent National bank and forbid preferences, do not invalidate liens, equities, and rights arising prior to and not in contemplation of insolvency.

A promissory note was executed to a National bank in consideration of the amount being placed to the credit of the maker on the books of the bank. The maker thought, and had good reason for thinking, that the bank was solvent, but the managing officer of the bank knew it to be insolvent. Before the note matured, the charter was forfeited for insolvency and a receiver appointed. *Held*, that the undrawn balance should be allowed as an equitable set-off to the note, and such allowance is not a "preference" forbidden by the National banking law. Rev. St. §§ 5,234, 5,236, 5,242, 36 Fed. Rep. 63, reversed.

Equitable defenses to an action at law in a Federal Court sitting in a State where such defenses are permitted are not authorized by Rev. St. § 914, providing that Federal Courts shall follow State practice and procedure.

Mr. Chief Justice Fuller delivered the opinion of the court.

The Fidelity National Bank was closed by order of the bank examiner June 20th, the receiver was appointed June 27th, and the charter of the bank was forfeited and the bank dissolved by the decree of the Circuit Court July 12, 1887. Title to its assets was necessarily thereby transferred to the receiver. (*Bank v. Colby*, 21 Wall. 609.)

The note in controversy did not mature until September 7, 1887, but the deposit to the credit of the Farmers' Bank was due for the purposes of suit upon the closing of the Fidelity Bank, as under such circum-

stances no demand was necessary. The receiver took the assets of the Fidelity Bank as a mere trustee for creditors, and not for value and without notice, and, in the absence of statute to the contrary, subject to all claims and defenses that might have been interposed as against the insolvent corporation before the liens of the United States and of the general creditors attached.

The right to assert set-off at law is of statutory creation, but courts of equity from a very early day were accustomed to grant relief in that regard independently as well as in aid of statutes upon the subject.

In equity, relief was usually accorded, says Mr. Justice Story (Eq. Jur. § 1,435), "where, although there are mutual and independent debts, yet there is a mutual credit between the parties, founded at the time upon the existence of some debts due by the crediting party to the other. By 'mutual credit,' in the sense in which the terms are here used, we are to understand a knowledge on both sides of an existing debt due to one party, and a credit by the other party, founded on and trusting to such debt, as a means of discharging it."

This definition is hardly broad enough to cover all the cases where, as the learned commentator concedes, there being a "connection between the demands, equity acts upon it, and allows a set-off under particular circumstances." (Section 1,434.) Courts of equity frequently deviate from the strict rule of mutuality when the justice of the particular case requires it, and the ordinary rule is that, where the mutual obligations have grown out of the same transaction, insolvency on the one hand justifies the set-off of the debt due upon the other. (*Blount v. Windley*, 95 U. S. 173, 177.)

In *Carr v. Hamilton*, 129 U. S. 252, 262, 9 Sup. Ct. Rep. 295, it was decided that, when a life insurance company becomes insolvent and goes into liquidation, the amount due on an endowment policy, payable in any event at a fixed time, may, in settling the company's affairs, be set off against the amount due on the mortgage deed from the holder of the policy to the company by way of compensation; and Mr. Justice Bradley, delivering the opinion of the court, said: "We are inclined to the view that where the holder of a life insurance policy borrows money of his insurer, it will be presumed, *prima facie*, that he does so on the faith of the insurance and in the expectation of possibly meeting his own obligation to the company by that of the company to him, and that the case is one of mutual credits, and entitled to the privilege of compensation or set-off whenever the mutual liquidation of the demands is judicially decreed on the insolvency of the company." And the case of *Scammon v. Kimball*, 92 U. S. 362, was referred to, where it was held that a bank, having insurance in a company which was rendered insolvent by the Chicago fire of 1871, had a right to set off the amount of his insurance on property consumed against money of the company in his hands on deposit, although the insurance was not a debt due at the time of the insolvency.

Indeed, natural justice would seem to require that where the transaction is such as to raise the presumption of an agreement for a set-off, it should be held that the equity that this should be done is superior to any subsequent equity not arising out of a purchase for value without notice.

In the case at bar the credits between the bank were reciprocal, and were parts of the same transaction, in which each gave credit to the other on the faith of the simultaneous credit, and the principle applicable to mutual credits applied. It was, therefore, the balance upon an adjustment of the accounts which was the debt, and the Farmers' Bank had the right, as against the receiver of the Fidelity Bank, although the

note matured after the suspension of that bank, to set off the balance due upon its deposit account, unless the provisions of the National banking law were to the contrary. Whether this was so or not is the question on which the opinion of the district judge turned, and which was chiefly urged in argument upon our attention.

Sections 5,234, 5,236, and 5,242 are the sections relied on. Section 5,234 provides for the appointment of a receiver by the Comptroller of the Currency, and defines his duties as follows:

"Such receiver, under the direction of the Comptroller, shall take possession of the books, records and assets of every description of such association, collect all debts, dues, and claims belonging to it, and, upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like order, may sell all the real and personal property of such association, on such terms as the court shall direct; and may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders. Such receiver shall pay over all money so made to the Treasurer of the United States, subject to the order of the Comptroller, and also make report to the Comptroller of all his acts and proceedings."

Section 5,236 provides:

"From time to time, after full provision has been first made for refunding to the United States any deficiency in redeeming the notes of such association, the Comptroller shall make a ratable dividend of the money so paid over to him by such receiver on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction, and, as the proceeds of the assets of such association are paid over to him, shall make further dividends on all claims previously proved or adjudicated; and the remainder of the proceeds, if any, shall be paid over to the shareholders of such association, or their legal representatives, in proportion to the stock by them respectively held."

Section 5,242 reads:

"All transfers of the notes, bonds, bills of exchange, or other evidences of debt owing to any National banking association, or of deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its shareholders or creditors; and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another, except in payment of its circulating notes—shall be utterly null and void; and no attachment, injunction, or execution shall be issued against such association or its property before final judgment in any suit, action, or proceeding in any State, county, or municipal court."

The argument is that these sections by implication forbid this set-off, because they require that after the redemption of the circulating notes has been fully provided for, the assets shall be ratably distributed among the creditors, and that no preferences given or suffered, in contemplation of or after committing the act of insolvency, shall stand. And it is insisted that the assets of the bank existing at the time of the act of insolvency include all its property, without regard to any existing liens thereon or set-offs thereto.

We do not regard this position as tenable. Undoubtedly any disposition by a National bank, being insolvent or in contemplation of insolvency, of its choses in action, securities, or other assets, made to prevent

their application to the payment of its circulating notes, or to prefer one creditor to another, is forbidden; but liens, equities, or rights arising by express agreement, or implied from the nature of the dealings between the parties, or by operation of law, prior to insolvency and not in contemplation thereof, are not invalidated. The provisions of the act are not directed against all liens, securities, pledges, or equities, whereby one creditor may obtain a greater payment than another, but against those given or arising after it or in contemplation of insolvency. Where a set-off is otherwise valid, it is not perceived how its allowance can be considered a preference, and it is clear that it is only the balance, if any, after the set-off is deducted, which can justly be held to form part of the assets of the insolvent. The requirement as to ratable dividends is to make them from what belongs to the bank, and that which at the time of the insolvency belongs of right to the debtor does not belong to the bank.

There is nothing new in this view of ratable distribution. As pointed out by counsel, the bankruptcy act of 13 Eliz. c. 7, contained no provision in any way directing a set-off or the striking of a balance, and by its second section commissioners in bankruptcy were to seize and appraise the lands, goods, money and chattels of the bankrupt, to sell the lands and chattels, "or otherwise to order the same for true satisfaction and payment of the said creditors, that is to say, to every of the said creditors a portion, rate and rate alike, according to the quantity of his or their debts." (4 Statutes of the Realm, pt. 1, 539.) Yet, in the earliest reported decisions upon set-off, it was allowed under this statute. (Anonymous, 1 Modern, 215; *Curson v. African Co.*, 1 Vern. 121; *Chapman v. Derby*, 2 Vern. 117.)

The succeeding statutes were but in recognition, in bankruptcy and otherwise, of the practice in chancery in the settlement of estates, and it may be said that in the distribution of the assets of insolvents under voluntary or statutory trusts for creditors the set-off of debts due has been universally conceded. The equity of equality among creditors is either found inapplicable to such set-offs or yields to their superior equity.

We are dealing in this case with an equitable set-off, but if on June 20th the note had matured, and each party had a cause of action capable of enforcement by suit at once, upon the argument for the receiver the legal set-off would be destroyed just as effectually as it is contended the equitable set-off is. We cannot believe Congress intended such a result, or to destroy by implication any right vested at the time of the suspension of a National bank.

The state of case where the claim sought to be offset is acquired after the act of insolvency is far otherwise, for the rights of the parties become fixed as of that time, and to sustain such a transfer would defeat the object of these provisions. The transaction must necessarily be held to have been entered into with the intention to produce its natural result—the preventing of the application of the insolvent's assets in the manner prescribed. (*Bank v. Taylor*, 56 Pa. St. 14; *Coll v. Brown*, 12 Gray 233.)

Our conclusion is that this set-off should have been allowed, and this has heretofore been so held in well-considered cases. (*Snyder's Sons' Co. v. Armstrong*, 37 Fed. Rep. 18; *Yardley v. Clothier*, 49 Fed. Rep. 337; *Armstrong v. Warner*, 21 Wkly. Cin. Law Bul. 136; 27 Wkly. Cin. Law Bul. 100.)

The Ohio Code of Civil Procedure abolishes the distinction between actions at law and suits in equity, requires all actions (with some exceptions) to be brought in the name of the real party in interest, and per-

mits all defenses, counterclaims, and set-offs, whether formerly known as legal or equitable, to be set up therein. (Rev. St. Ohio, §§ 4,971, 4,993, 5,071.)

Section 914 of the Revised Statutes, in providing that the practice, pleadings, and forms and modes of proceeding in civil causes, in the Circuit and District Courts, shall conform, as near as may be, to the practice, pleadings, and forms and modes of proceeding existing at the time in like causes in the courts of record of the State within which such Circuit or District Courts are held, in terms excludes equity causes therefrom, and the jurisprudence of the United States has always recognized the distinction between law and equity as under the constitution matter of substance, as well as of form and procedure, and accordingly legal and equitable claims cannot be blended together in one suit in the Circuit Courts of the United States, nor are equitable defenses permitted. (*Bennett v. Butterworth*, 11 How. 669; *Thompson v. Railroad Cos.*, 6 Wall. 134; *Scott v. Neely*, 140 U. S. 106, 11 Sup. Ct. Rep. 712; *Montejo v. Owen*, 14 Blatchf. 324; *La Mothe Manuf'g Co. v. National Tube Works Co.*, 15 Blatchf. 432.)

We are of opinion that the Circuit Court had no power to grant the set-off in question in the suit at law. Judgment, however, was given in that case on the merits upon sustaining the demurrer to the defense of equitable set-off, and, as we think that the set-off should have been allowed, we do not feel called upon, having the judgment before us and under our control for affirmance, reversal, or modification, to sustain it upon a jurisdictional ground not passed upon by the Circuit Court.

We shall therefore reverse it without discussing the question whether, if affirmed, it would or would not be a bar to relief in the suit in equity. (*Butler v. Eaton*, 141 U. S. 240, 11 Sup. Ct. Rep. 985; *Ballard v. Searls*, 130 U. S. 50, 9 Sup. Ct. Rep. 418.)

It follows from what we have said that the first question certified from the United States Circuit Court of Appeals for the sixth circuit must be answered in the affirmative and the second in the negative, and that the other questions propounded require no reply.

Judgment in No. 53 reversed and cause remanded to the Circuit Court, with directions for further proceedings in conformity with this opinion.

In No. 1,025 the answers to the first and second questions, above indicated will be certified.—*Supreme Court Reporter*.

SUFFICIENCY AND PUBLICATION OF STATEMENTS OF ASSETS AND LIABILITIES OF A BANK.

SUPREME COURT OF CALIFORNIA.

Bank of British North America v. Alaska Imp. Co. (No. 14,198.)

St. 1875-'76, p. 729, provides that banking corporations shall publish and record statements each year in January and July; that one of such statements shall show the amount of capital stock actually paid in, and the other shall show the actual condition and value of its assets and liabilities, and where the assets are situated. Plaintiff filed a statement which, omitting the figures, was, under the head of "Liabilities": "Capital," \$——; "Circulation," \$——; "Deposits," \$——; "Bills payable and other liabilities," \$——; "Undivided net profits," \$——; "Total," \$——; and under the head of "Assets": "Specie on hand and cash at banker's," \$——; "Bills receivable and other securities," \$——; "Invest-

ments." §——; "Bank premises," §——; "Total," §——, —a sum equaling the liabilities. *Held*, that the statement was not a substantial compliance with the statute.

The statute further requires that the statements filed shall be sworn statements, verified, in the case of foreign corporations, by the agent or manager of the business resident in the State. Plaintiff's statement was followed by an affidavit of the managing agent at San Francisco, which stated that the bank had its principal place of business in London; that the accounts of the San Francisco agency are made up twice each year, and forwarded to the London office, where a general statement is prepared and sent to the San Francisco office; that the foregoing is a correct copy of the last statement received. There was nothing in the affidavit to show that the statement was sworn to by any officer or employee of the bank, or that the affiant believed the statement to be true, only that it was a true copy of the last statement received. *Held*, that this was not a sworn statement, within the meaning of the statute.

The statute prohibits one violating the same from prosecuting any action in the State until the statute is complied with. *Held*, that such disability is universal, and therefore plaintiff could not maintain an action on the bills in suit on the ground that the transactions out of which the suit grew were personal contracts, made out of the State and that plaintiff ought not to be deprived of the privilege accorded foreigners of pursuing their remedies against residents of the State on such contracts.

The statute requires that the statements be published each year in January and July. It appeared that plaintiff could not get its statements from London before about the middle of February and August, and did not publish them until the following July or January, respectively. *Held* that, though it would have been a more substantial compliance with the statute to have published the statements as soon as received, yet withholding them until the recurrence of the next July or January would not, of itself, have been considered a fatal defect, since it would have been presumed that the delay was caused by the supposition that the publication could be legally made only in the months named in the statute, and was therefore intended in good faith as a compliance with its requirements.

HAYNES, C.—Appeal from the judgment and an order denying defendant's motion for a new trial. The action is upon certain bills of exchange drawn by the defendant upon William T. Coleman & Co., payable to the order of defendant 60 days after date, and by the defendant indorsed and delivered to said William T. Coleman & Co., who, before maturity, sold and delivered the same to plaintiff. These bills were afterwards duly accepted by W. T. Coleman & Co., who failed to pay them at maturity, of all which the defendant was notified. Defendant's answer, in addition to denials not necessary to be noticed, alleged that, after the defendant indorsed said bills of exchange, said William T. Coleman & Co., the drawee, paid the same to defendant, whereby the defendant was released and discharged from liability thereon as drawer and indorser; and, for a further defense, alleged that plaintiff, for more than two years last past, was a banking corporation doing business in the city and county of San Francisco, State of California, and during all that time was, and still is, subject to an act of the Legislature of that State, approved April 1, 1876, concerning corporations and persons engaged in the business of banking; that plaintiffs had not complied with certain provisions of that act (hereinafter mentioned), and because thereof was prohibited from bringing or maintaining any action in the courts of this State. The court found that all the allegations of the complaint were true, and as to the answer found all the allegations untrue, except that plaintiff had been doing business as a banking corporation for more than two years at the place alleged, and that there were many newspapers of general circulation published in the city of San Francisco.

The act referred to (St. 1875-'76, p. 729) requires: (1) That two

statements shall be published and recorded each year in January and July. (2) That one of such statements shall state the amount of capital stock actually paid in, and that nothing shall be deemed capital actually paid in except money *bona fide* paid into the treasury of such bank. (3) The other of said statements shall show the actual condition and value of its assets and liabilities, and where the assets are situated. The statements are required to be "sworn statements," verified by certain officers in case of a home corporation, and in case of a foreign corporation "the statements herein provided for shall be verified by the agent or manager of the business resident in this State." These statements are required to be recorded in the office of the County Recorder, one in a book entitled "Statements of Banking Capital," and the other in a book entitled "Statements of Banking Assets." The third section of this act is as follows: "Sec. 3. Directors making a false statement shall be jointly and severally liable to any person hereafter dealing with such corporation, to the full extent of such dealing; and no corporation and no person or persons who fail to comply with the provisions, or any of the provisions of this law, shall maintain or prosecute any action or proceeding in any of the courts of this State until they shall have first duly filed the statements herein provided for, and in all other respects complied with the provisions of this law; nor shall any assignee or assignees of any such corporation or person, whose assignment shall be made subsequent to any such failure to comply with the provisions of this law, maintain any action or proceeding in any court of this State until his or their assignor or assignors shall have first duly complied with the provisions of this law." Appellant contends that the plaintiff has not complied with the requirements of said statute in several particulars: (1) That the statements published and recorded by the plaintiff do not show the amount of the capital actually paid, in money and in good faith, into the bank; (2) that the statements published and recorded by the plaintiff were not "sworn statements"; (3) that, if the statements should be held sufficient as to form and substance, they do not show the condition of the bank in the particulars required for the six months immediately preceding the publication and recording, but of a period ending more than six months prior thereto.

1. The statute contemplates two statements, but we are not prepared to hold that if the one statement contained all the particulars required by the statute it would not be sufficient, inasmuch as the statement was recorded in each of the books, and the information required could be ascertained from either. We think, however, that the statements put in evidence by the plaintiff were not a substantial compliance with the statute. These statements, omitting the figures, were, under the head of "Liabilities"; "Capital," §——; "Circulation," §——; "Deposits," §——; "Bills payable and other liabilities," §——; "Undivided net profits," §——; "Total," §——; and under the head "Assets": "Specie on hand and cash at banker's," §——; "Bills receivable and other securities," §——; "Investments," §——; "Bank premises," §——; "Total," §——, —a sum equaling the liabilities. The statute requires a statement of the amount of capital actually paid in in money; and thus excludes subscribed capital not paid, and all securities of every description which may be held to represent capital. So in regard to the statement of assets, the statute requires the "value" to be stated, and where the assets are situated. Bills receivable, for example, are never charged up to profit and loss by any banker or business man, until collection is hopeless; but until that time they appear on every trial balance as assets on their face value. However that may be, the Legislature required a sworn statement of the capital actually paid in, and the

value of the assets, and where the assets were; and we must either hold that "capital," in the statement, means only "capital actually paid in money," and that the words "bills receivable and other securities" of themselves amount to an averment that they are of the actual value there stated, or we must hold the statement materially deficient. We do not say that this defect in the tabulated statement may not be cured by proper averments in an affidavit attached thereto showing that the "capital" mentioned in the statement has been actually paid in money in good faith into the treasury of the bank, and that the assets there shown are of the value there stated, and are situated at a place or places named. The statute does not prescribe the form of these statements, and it is immaterial in what form the facts required are stated.

2. But these tabulated statements are not only not aided by the affidavit attached thereto, but are not "sworn statements." The affidavit is made by the managing agent at San Francisco, and is as follows: "William Lawson, being duly sworn, says he is the managing agent at San Francisco of the above-named bank, and that said bank has no cashier or secretary at such agency; that said bank is incorporated under the laws of Great Britain, has its principal place of business in the city of London, and carries on its business there and through numerous branches and agencies in Canada, the city of New York, and this city; and, further, that the accounts of the San Francisco agency are made up to the 30th June and 31st December in each year, and forwarded to the London office, where they are consolidated with the other accounts of the bank, and a general statement is prepared showing the entire assets and liabilities, which is sent to this office; that such general statements reach San Francisco about the middle of August and February in each year; that the foregoing is a correct copy of the last statement received. W. LAWSON. Subscribed and sworn to before me this 5th day of July, 1888. [Seal.] JAMES L. KING, Notary Public." It is nowhere intimated in this affidavit that any of the reports or accounts which are combined in the general statement were made under oath by any one, or that the general statement to which he attached his affidavit was the sworn statement of any officer or employe of the bank; nor does he swear that he believes it to be a true or correct statement. He only swears that it is a "true copy of the last statement received." If the capital of the bank, at the time this statement was made, had been *nil*, and it had not been possessed of a dollar of available assets, and the agent had known it at the time the oath in question was taken, he could not be convicted of perjury. In *Whitney Arms Co. v. Barlow*, 63 N. Y., at page 66, the court had under consideration a similar statute, requiring the trustees of manufacturing corporations, at stated times, to publish and file a verified report, "which shall state the amount of capital and of the proportion actually paid in, and the amount of its existing debts." It was there said: "The reports should, in all essential particulars, comply with these statutes. The facts need not necessarily be stated with technical or grammatical precision and accuracy, but they must substantially appear, and be verified by the oath of the president and a majority of the trustees, and so distinctly stated that, if untrue, perjury could be assigned, or an action maintained by any one sustaining legal injury from the misstatement." It is true, as said by counsel for respondent, that our statute is in some sense penal, and should receive a liberal interpretation; but the fact that a statute is penal does not authorize the court to refuse to enforce it where the failure to comply with its provisions is, as in this case, palpable and material.

The fact that the San Francisco agent of the plaintiff could not per-

sonally know the truth of all the matters required to be embodied in the statements is not sufficient to relieve the plaintiff from such compliance as was within its power; and, if it be said that it is not possible for the plaintiff to comply substantially with the requirements of the statute, that would be conclusive against its right to maintain the action, as it is not in the power of the court to make an exception where none is made in the statute. As to the wisdom of this enactment, either as to its general purpose or the mode of its enforcement, we are not called upon to speak. The power of the Legislature to make the enactment is not questioned, and our whole duty is to determine whether or not the law has been complied with, and, if it has not, to further determine the effect of such non-compliance upon the right of the plaintiff to maintain this action. In *Bank v. Cahn*, 79 Cal. 463, 21 Pac. Rep. 863, this court held that a failure on the part of the plaintiff to comply with the provisions of the act in question was a sufficient defense to the action. Counsel for respondent contends, however, that in the case above cited it was held that the publication and recording of these documents is mainly for the benefit of those locally interested, by giving information to them through local publication and recording, and that therefore the statute was not intended to have an extraterritorial effect; that in this case the bills of exchange sued upon were purchased by plaintiff at its agency at Vancouver in British Columbia; and that the "banking business," so far as these bills were concerned, was done in a foreign country. The record shows that these bills were purchased at plaintiff's Vancouver agency, and paid for by drafts drawn by that agency upon the San Francisco agency; that the bills were forwarded to the latter agency, and by it presented for acceptance, and after acceptance retained for collection. Upon this state of facts, respondent contends that it should not be deprived of the right "accorded to all foreigners, of pursuing their remedies against residents of this State upon personal contracts made out of the State." But the personal contract in this case sought to be enforced was a California contract, made here, and to be performed here. The Alaska Improvement Company, the defendant in the action, did not sell these bills to the plaintiff at Vancouver or elsewhere. Its only liability was that of a drawer and indorser, and not upon a supposed guaranty or other obligation, created by a sale of the paper in a foreign jurisdiction; nor can we see why the payment of the draft drawn by the Vancouver agency upon the San Francisco agency in payment for the bills of exchange, the presentation of them for acceptance, the demand of payment at maturity, and the protesting them for non-payment, is not doing a banking business in the State of California. If John Smith, a resident of Vancouver, had there purchased them, and sent them to plaintiff's agency at San Francisco for the purposes above mentioned, would any one doubt that the same acts as those performed by the plaintiff in the case at bar were within the legitimate functions of a bank, were, indeed, the exercise of one of the most common and convenient functions of a bank, and which is everywhere regarded as "banking business"? In *Bank v. Barling*, 44 Fed. Rep. 641, an action against a stockholder of the Alaska Improvement Company upon his personal liability as a stockholder for these same bills of exchange (cited by respondent's counsel), the court held that the right of the plaintiff to maintain an action in the Federal courts was not affected by the State statute under consideration here. Having so decided, the court also expressed the opinion in that case, in the Circuit Court, and also in the same case in the Circuit Court of Appeals (50 Fed. Rep. 260, 1 C. C. A. 510), that, as the purchase of the bills of exchange occurred beyond the limits and jurisdiction of the State of California, the case was not within

the statute; but this was clearly *obiter dicta*, and not authority upon the point here. But the whole question as to where the "banking business" was done, or the purchase was made, if material in any sense, is not conclusive. It is conceded that the plaintiff is, and during all the time covered by this transaction has been doing a banking business in this State. The requirements of the statute are imperative. The penalty for a failure to comply with the statute is not that it shall not maintain or prosecute any action or proceeding upon or concerning a banking transaction done or performed by it within this State, but it is that "no corporation and no person or persons who fail to comply with the provisions, or any of the provisions, of this law, shall maintain or prosecute any action or proceeding in any of the courts of this State until," etc. The disability imposed by the statute as a consequence of the non-compliance is universal. There are no exceptions expressed in the statute, and none are implied. As to remedies, the *lex fori* governs, not the *lex loci contractus*. The penalty imposed by the statute for its violation affects the person or corporation by creating a personal disability, but in no wise affects the legality of business transacted. The view we have taken does not, as we think, conflict with the New York cases cited by the respondent, but, on the contrary, is clearly supported by them. Those cases proceed upon the theory that the duty of the corporation to make these reports is one which it owes to the public generally, for the protection of all persons who may have occasion to deal with it; that the duty is a corporate one; that the State confers upon the corporation valuable privileges, and, to carry out its policy, exacts the performance of specified duties which they must perform as the condition upon which they are entitled to enjoy these privileges. It does not affect the analogy between those cases and the case at bar that the penalty for a failure to comply with the statutory requirements was in some cases a pecuniary liability of the members of the corporation, and in others a forfeiture of the corporate franchise. The duty was the same, imposed for the same reason; the only difference being in the mode of securing its performance.

3. The statute doubtless intended that these statements should show the condition of the bank as of a time immediately or shortly preceding the publication of the statement, as otherwise there could be no object in requiring semi-annual statements. We are not prepared to hold, however, that, where an exact compliance with the requirements of the statute as to the time of publication is impossible, a publication and recording, as soon thereafter as the same could reasonably be done, would not be a substantial compliance, and relieve the corporation from the penalty imposed by the statute. The Legislature, in fixing the time for the publication of these statements, no doubt took into consideration the fact that banks usually prepare semi-annual statements at the close of the months of June and December, and in naming January and July as the time of publication supposed that ample time was given for that purpose; and, as recent information as to the condition of banks and bankers is of more importance to the public than that the publication should be made in a particular month, that a publication in February and August would be a more substantial compliance with the statute than withholding the publication and recording until the recurrence of the next July or January. If this delay in the publication had been the only defect, we should have been inclined to hold that the delay was caused by the supposition that the publication could be legally made only in the months named in the statute, and was therefore intended in good faith as a compliance with its requirements. The conclusions at which we have arrived upon questions above considered render it unnec-

essary to consider other questions presented by appellant. We advise that the judgment and order appealed from be reversed.

We concur: Foote, C.; Vanciel, C.

PER CURIAM. For the reasons given in the foregoing opinion the judgment and order appealed from are reversed.—*Pacific Reporter*.

OWNERSHIP OF DEPOSIT.

SUPREME COURT OF VERMONT.

Connecticut River Savings Bank v. Albee.

S., who had over \$2,000 in bank, on being informed by the cashier that any amount on deposit over \$2,000 was taxable, withdrew a part of it, and deposited it in his own name as trustee for C., and a pass book containing such entry was issued to him which he retained until his death. Shortly after making such deposit, he declared that he made it as trustee for C., and from time to time he deposited other money thereto as trustee, and drew money from it, which he receipted for as trustee. Held that such transactions constituted a complete, voluntary trust for C.'s benefit. *Pope v. Bank*, 56 Vt. 284, distinguished.

Testimony regarding S.'s declarations in respect to the deposit, made after the trust therein in C.'s favor had been created, was properly excluded in a contest between C. and the administrator of S. for the possession of such deposit, since a voluntary trust, when created, cannot be annulled by acts or declarations of the party creating it, in the absence of a power or revocation reserved by him for that purpose.

In such contest, evidence of S.'s declarations as to his intent in making such deposit was competent as against the administrator, since such declarations, being against the interest of S., were admissible against the administrator who claimed in the right of S.

THOMPSON, J.—1. A completed trust, although voluntary, is valid, and may be enforced in equity. It is not essential to its validity that the beneficiary should have had notice of its creation, or have assented to it. The owner and donor of personal property may create a perfect or complete trust by his unequivocal declaration, in writing or by parol, that he himself holds such property in trust for the purposes named. The trust is equally valid whether he constitutes himself or another person the trustee. "He need not, in express terms, declare himself trustee, but he must do something equivalent to it, and use expressions which have that meaning." The act creating the trust must be consummated, and not rest in mere intention. "It must appear from written or oral declarations, from the nature of the transaction, the relation of the parties, and the purpose of the gift, that the fiduciary relation is completely established." This is the rule, whether the donor makes himself or another person the trustee. If he constitutes himself trustee, it is not necessary, as between himself and the beneficiary, that he should part with the possession of the trust property. "If the donor retains the legal title, but effectually declares himself a trustee for the donee, thus clothing the donee with all the beneficial estates, the gift is valid, although voluntary—the donee's rights are perfect, and equity will enforce them against the donor, and all persons claiming under him as volunteers." The trust once created cannot be revoked by the donor, unless the power of revocation is reserved by the donor when he created it. "A voluntary trust which is still executory, incomplete, imperfect, or promissory will neither be enforced nor aided." "If the intention is to make such a transfer as would

constitute a gift, but the transaction is imperfect for this purpose, the court will not hold the intended transfer to operate as a declaration of trust, 'for then every imperfect instrument would be made effectual by being converted into a perfect trust.' Such is the general doctrine in regard to voluntary trusts, as laid down by elementary writers on the subject, and as enunciated by the courts in the best considered and leading cases in which it has been discussed. (2 Pom. Eq. Jur. (1st Ed.) §§ 996-998; Perry, Trusts, (1st Ed.) §§ 96-99, 104, 105; Adams, Eq. (6th Amer. Ed.) 194; Ex parte Pye, 18 Ves. 149; *Milroy v. Lord*, 4 De Gex, F. & J. 264; *Kekewich v. Manning*, 1 De Gex, M. & G. 176; *Ellison v. Ellison*, 1 White & T. Lead. Cas. (3d Amer. Ed.) 297, and notes; *Richards v. Delbridge*, L. R. 18 Eq. 11; *Heartley v. Nicholson*, L. R. 19 Eq. 233, 11 Moak, Eng. R. 816; *Jones v. Lock*, L. R. 1 Ch. App. 25; *Martin v. Funk*, 75 N. Y. 134; *Young v. Young*, 80 N. Y. 422; Estate of Webb, 49 Cal. 541; *Stone v. Hackett*, 12 Gray, 227; *Urann v. Coates*, 109 Mass. 581; *Gerrish v. Institution*, 128 Mass. 159; *Ray v. Simmons*, 11 R. I. 266, 23 Amer. Rep. 447, and note; *Minor v. Rogers*, 40 Conn. 512; *Taylor v. Henry*, 48 Md. 550; In re Gaffney's Estate, (Pa. Sup.) 23 Atl. Rep. 163; *Pope v. Bank*, 56 Vt. 284; *Sargent v. Baldwin*, 65 Vt. 17, 13 Atl. Rep. 854.) These are only a few of the many cases bearing upon this subject, but they sufficiently illustrate it. A large number are collected in note 1 to section 997 of Pom. Eq. Jur., (1st Ed.)

In the case at bar, Samuel Albee deposited in the Connecticut River Savings Bank \$1,600 in the name of his son, the defendant Charles P. Albee, naming himself trustee. The treasurer of the bank at the same time delivered to Samuel Albee a deposit book, on the outside cover of which was the entry: "No. 5,362. Charles P. Albee, of Rockingham, Vt., in acct. with Conn. River Savings Bank;" and in the book is this entry: "Conn. River Savings Bank in acct. with Charles P. Albee, (Samuel Albee, Trustee.) Dec. 12th, 1878, deposit, \$1,600." This book was retained by Samuel Albee until his death. While he held this book, and after the first deposit, he made one deposit to this account, and on several occasions drew various sums of money from it, receipting therefor as trustee. In form, at least, this transaction created a voluntary trust in favor of Charles P. Albee by Samuel Albee, in which the latter constituted and declared himself to be the trustee. The fact that he stated that he made the transfer to avoid taxation does not negate the idea that he also intended to create a trust for the benefit of Charles P., but, on the contrary, it is perfectly consistent with that purpose. The retention of the book is not inconsistent with this construction. If there was a trust, he must be deemed to have retained it as trustee. In *Martin v. Funk*, *supra*, it is said: "There are many cases where the instrument creating the trust has been retained by the author until his death, especially where he made himself the trustee, and yet the trust sustained." Such fact, among others, has been considered on the question of intent in those courts which hold the creation of the trust to be one of intent on the part of the alleged donor, although he may have made the deposit in the name of the alleged donee, but it is never deemed decisive against the validity of the trust. If the intent with which Samuel Albee made this deposit were to be held to be decisive of the rights of the parties to this litigation, what other intent, on the facts found from admissible evidence, can be imputed to him, than such as his acts at that time imported? He directed the bank to make the deposit in the manner and form it did, and he took the deposit book—the voucher—to himself in trust for Charles P. Albee. There was no contingency or uncertainty in the circumstances, and the transaction was complete. The money was deposited absolutely and unqualifiedly in

trust, and Samuel Albee himself was the trustee. So far as is disclosed by legal evidence, he never said nor did anything thereafter inconsistent with that transaction, viewed on the theory that such a trust was intended to be created by him. The fact that he deposited other money to this account, and, as trustee, drew money from it, is perfectly consistent with his being trustee. We think there was a perfect, completed, voluntary trust created by this transaction. *Martin v. Funk*, *Ray v. Simmons*, *Minor v. Rogers*, *In re Gaffney's Estate*, *supra*, and other authorities there cited. But we are not left to infer the intention of Samuel Albee from the transaction of making the deposit, for very near and after that occurrence he declared that he made the deposit for the benefit of Charles P. We think a fair construction of the master's original report is that he finds such was his intention. This establishes the trust, if it were to be determined by the law of New Hampshire, as found by the master, and stated in *Blasdel v. Locke*, 52 N. H. 238, and *Marcy v. Amazeen*, 61 N. H. 131, or in accordance with certain Massachusetts cases cited in defendant Lane's brief. The case of *Pope v. Bank*, 56 Vt. 284, is distinguishable from this case. In that case there was no declaration of trust, but an imperfect gift. The intestate retained in himself the absolute control and disposal of the deposit, for his own use and benefit, making it payable to himself by the terms of the deposit.

2. The testimony of the witnesses Ruth McQuaid, Simon Albee, and Harriett Albee, as to the declarations of the intestate in respect to the deposit, and made after the trust had been created, were not admissible. "No such declarations made after the creation of the trust could have any legitimate effect upon it." (*Ray v. Simmons*, *supra*; *Insurance Co. v. Deale*, 18 Md. 26; *Minor v. Rogers*, *supra*; *Bullard v. Billings*, 2 Vt. 309; *Brackett v. Wait*, 6 Vt. 411; *Edgell v. Bennett*, 7 Vt. 534; *Sargeant v. Sargeant*, 18 Vt. 371; *Hough v. Barton*, 20 Vt. 455; *Leland v. Farnham*, 25 Vt. 553; *Washburn v. Ramsdell*, 17 Vt. 299; *Rubber Co. v. Duncklee*, 30 Vt. 29; *Halloran v. Whitcomb*, 43 Vt. 306; *Ross v. White*, 60 Vt. 558, 15 Atl. Rep. 184; *Sargent v. Baldwin*, 60 Vt. 17, 13 Atl. Rep. 854.) As before stated, when a voluntary trust is once created it cannot be annulled by the act or declarations of the party creating it, unless a power of revocation is reserved for that purpose. (See *Sargent v. Baldwin*, *supra*, and cases there cited.) No such power was reserved by Samuel Albee.

3. The testimony of Charles S. Albee in respect to the declarations of Samuel Albee as to his intent in making the deposit, and the reason that moved him to do it, was properly admitted. "The declarations of a trustee can be given in evidence to show how he held the estate; that is, in those States where the trust may be proved by parol." (Perry, *Trusts*, (1st Ed.) §§ 77, 147.) "The declarations of deceased persons, made against their interest or right, are admissible against those who claim in the interest or right of such deceased persons." (*Wheeler v. Wheeler's Estate*, 47 Vt. 637, 645; 2 Saund. Pl. & Ev. 557; *Ivat v. Finch*, 1 Taunt. 141; 1 Greenl. Ev. (12th Ed.) § 189.) The decree of the Court of Chancery is affirmed, and cause remanded.—*Atlantic Reporter*.

GARNISHMENT OF NATIONAL BANKS.

CIRCUIT COURT OF COOK COUNTY.

Talcott v. Brown et al.

Garnishment is but a mode of attachment, and National banks are subject to garnishment.

There are reasons for the prohibition of attachments against the property of National banks anterior to judgment, which cannot be urged against garnishment process.

ADAMS, J.—This is a suit in attachment. The Metropolitan National Bank was summoned as garnishee, and interrogatories have been filed in accordance with the statute. The bank, by its attorneys, has entered a special appearance and moved to quash the writ, in so far as it purports to authorize service on the bank as garnishee, for the alleged reason that a National bank cannot be garnisheed.

The motion is based on the last clause of Sec. 5,242 of the Rev. Stat. of the United States, which is as follows:

“And no attachment, injunction or execution shall be issued against any such association or its property before final judgment in any suit, action or proceeding in any State, county or municipal court.”

It is claimed that the garnishment process in this case is an attachment against the bank, within the meaning of the section quoted. It cannot be seriously contended that the attachment writ is against the property of the Metropolitan National Bank, because it is, in terms, confined exclusively to the property of the defendants in the suit, and authorizes the attachment of their property only. But counsel for the bank contend that it is an attachment against the bank, by reason of the service on the bank as garnishee, and that the Act of Congress prohibits not only attachments against the property of National banks, but attachments against the banks themselves.

The argument of counsel evidently assumes that the words “against such association” apply to the preceding word “attachment,” precisely as if the words “injunction or execution,” which next follow it, were omitted from the section. I do not concur in this assumption. Executions and attachments issue out of courts of law and run against property, but injunctions issue out of courts of equity and run against the person. A court of equity acts only *in personam*. Therefore, as attachments, injunctions and executions are all prohibited by the section, the words “against such association or its property” are appropriately used. If the words were merely against the property of such association, there would be, practically, no prohibition of injunctions, because writs of injunction, as has been stated, run only against the person.

I am of opinion, therefore, that the words “against such association,” as used in the section, apply only to injunctions, and not to executions or attachments.

The argument of counsel for the bank further assumes that there may be an attachment against a National bank itself as distinguished from an attachment against the property of the bank, in other words, an attachment *in personam*. It is obvious that there can be no such attachment against a corporation such as is a National bank. By the word “attachment,” as used in the act, is meant an attachment which runs against the property of the bank, which authorizes the seizure of the property of the bank. Such appears to be the understanding of the Supreme Court of the United States.

In *Pacific National Bank v. Mixter*, 124 U. S. 721, 729, which was attachment against the bank, the court, discussing the case, say :

"The case is, therefore, to be considered as though there was no law whatever for the seizure of property by attachment, before judgment, in any case."

It has been stated by authors on the subject of garnishment, that garnishment is but a mode of attachment, and the statement is sustained by decisions and is doubtless correct. It is, however, a mode of attachment of the property of the defendant in the attachment suit, and not of the property of the garnishee.

There are reasons for the prohibition of attachments against the property of National banks anterior to judgment, which cannot be urged against garnishment process. In the former case the property of the bank may be seized, the exercise of its functions temporarily suspended, and its credit injuriously affected, while in the latter case there can be no such consequences.

The question whether a National bank is subject to garnishment process is an important one, and has not heretofore been adjudicated, so far as I am informed.

In the absence of any direct authority on the question, I must, for the reasons stated, overrule the motion.—*Chicago Legal News*.

SAVINGS BANK—UNAUTHORIZED PAYMENT— DEPOSIT—ORDINARY CARE.

COURT OF APPEALS OF NEW YORK.

Gearns v. Bowery Sav. Bank.

A power of attorney authorizing the payment by a savings bank to the attorney of a fund standing in the name of the principal as executor of a specified estate, and signed by him in his individual capacity only, does not empower the bank to pay the attorney another fund standing in the name of the principal as administrator of a different estate ; and in an action by the principal against the bank to recover such fund, where there is evidence that his signature to the power was procured by the fraud of the attorney, the refusal to submit to the jury the issue whether the bank exercised ordinary care in making the payment is error, though the attorney had possession of and presented the pass-book evidencing the deposit actually paid to him, which is all that is required by the bank for its protection in making payment to persons other than the depositor.

O'BRIEN, J.—At the time of the death of Mary Ann Gearns, in the month of February, 1882, there was on deposit to her credit with the defendant about \$1,500. This deposit was evidenced by a pass-book which the defendant had delivered to her, and which contained a statement of the account. This deposit was to be repaid by the defendant, under certain rules and regulations prescribed by the trustees, which it must be presumed the depositor assented to, and form part of the contract between the parties. These rules, so far as they bear upon the question involved in this case, provided that all deposits should be entered upon the books of the bank, and that a pass-book should be given to the depositor, in which the sum deposited should be entered, and should constitute the voucher and evidence of the property of the depositor in the bank. They also provided that all payments made to persons producing the deposit book should be deemed good and valid payments to depositors, respectively. On the 1st of December, 1885,

the plaintiff was appointed administrator of Mary Ann Gearn's, the original depositor, by the surrogate of New York, and two days thereafter he presented the pass-book in which the deposit had been entered at the bank, with a certificate of the surrogate showing his appointment as administrator, and thereupon the defendant transferred to his credit, as such administrator, the amount of the deposit, with the accrued interest, amounting to the sum of \$1,769.06. The defendant also took from the plaintiff a receipt for that sum, as administrator, and issued to him in that capacity a new pass-book, in which that sum was credited, and the old book was surrendered. On July 27, 1886, the plaintiff drew from the bank from this deposit \$434, giving his receipt therefor as administrator, and no other sum was paid to the plaintiff. This action was brought to recover the balance, and the plaintiff has been defeated. It appears that the balance, amounting to \$1,552.86, including interest, on the 4th day of February, 1889, was paid by the defendant to one Keeler, an attorney, and the validity of this payment as against the plaintiff was the question litigated at the trial. It appears that Keeler presented the pass-book to the defendant, together with a paper purporting to be a power of attorney from the plaintiff. It purported to bear the signature of the plaintiff, not in his representative, but only in his individual capacity. The plaintiff, however, denied that he ever signed it, and the genuineness of this signature was the only question submitted to the jury. The evidence was conflicting, and, as the verdict was in favor of the defendant, the plaintiff is concluded by the finding. The evidence would seem to indicate that, if the plaintiff signed the paper, his signature was procured by fraud, but if the defendant had the right to and did act upon it, the circumstances under which the signature was obtained would not change its liability. The instrument also purported to be acknowledged before Keeler himself, as a commissioner of deeds; but the plaintiff testifies that he never acknowledged it, and Keeler was not produced at the trial, nor does it appear where he is, further than a statement in the brief of the learned counsel for the appellant that he is a fugitive from justice. The plaintiff was also at the time that the money was drawn from the bank by Keeler, and at the date of the instrument, the executor of the will of Patrick J. Gearn's, deceased. The language of the power of attorney, so far as the same is material here, is as follows: "Know all men by these presents: That I, James J. Gearn's, as executor of the last will and testament of Patrick J. Gearn's, deceased, have made, constituted, and appointed, and by these presents do make, constitute, and appoint William A. Keeler, attorney at law, my true and lawful attorney for me in my name, place, and stead, hereby authorizing him to draw all moneys credited to me as executor of the estate of Patrick J. Gearn's, deceased, now in the Bowery Savings Bank, in the city of New York, as appears from bank-book No. 610,460; and likewise my said attorney, William A. Keeler, hereby is granted full power and authority to have and receive from the Bank for Savings in the city of New York all moneys due me as executor and administrator of the estate of Patrick J. Gearn's, deceased, as may appear due me by the bank-book No. 547,881, and also all moneys now to my credit in the Emigrant Industrial Savings Bank, as shown in book 166,271; giving and granting to my said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as I might or could if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that my said attorney or his substitute shall lawfully do or cause to be done by virtue hereof."

Apart from the fact that this instrument bore the signature of the plaintiff individually, and not as the personal representative of the original depositor, and that the person whose name was subscribed to it was described in the body of the paper as the executor of another estate or interest, it did not confer any power to demand or receive payment of the deposit in question. The fund to which it referred was that of another person, namely, that credited to the plaintiff as the executor of Patrick J. Kearns, deceased. It is true that the power refers to bank-book No. 610,460, which was the number by which the deposit in question was designated, but that was merely descriptive of the deposit to which the paper related, namely, that of Patrick J. Kearns, deceased. The instrument, therefore, upon its face conferred no power upon the attorney to demand payment of the deposit in question, nor any authority upon the defendant to make payment to him. The defendant's justification for paying the deposit to Keeler must rest upon the circumstance that he had possession of the pass-book which evidenced the deposit, and presented it to the defendant when he demanded the fund. Unless it is protected by this fact, and the rule under which the deposit was received, the defense must fail. It is well settled, however, that payment made to a person who is not in fact entitled to draw the deposit, though he may have possession of the book, and present it at the time of payment, will not discharge the bank, unless it exercised at least ordinary care and diligence in paying the money to the wrong person. If at the time a fact or circumstance was brought to the knowledge of the defendant's officers which was calculated to and ought to have excited the suspicion and inquiry of an ordinarily careful person, it was clearly their duty to institute such inquiry, and their failure to do so presented a question for the consideration of the jury. (*Appleby v. Bank*, 62 N. Y. 12; *People v. Third Ave. Sav. Bank*, 98 N. Y. 663; *Allen v. Bank*, 69 N. Y. 314; *Smith v. Bank*, 101 N. Y. 58, 4 N. E. Rep. 123; *Kummel v. Bank*, 127 N. Y. 488, 28 N. E. Rep. 398.)

On the trial the plaintiff's counsel requested the court to submit to the jury the question whether, under all the facts and circumstances disclosed, the defendant's officers, in making the payment, exercised that degree of care and diligence which the law imposed upon them. This request was denied, and the plaintiff's counsel excepted. The learned trial judge did rule that, though the power of attorney should be found to be a forgery, as claimed by the plaintiff, still the defendant would be protected by the payment made, if in making it due care and caution was observed; and that he would submit that question to the jury if the defendant so requested, but otherwise not. The defendant's counsel announced that he did not desire to go to the jury on that question. The learned judge held, therefore, as the record shows, that while the defendant might protect itself by proof of due care in making the payment, yet the absence of such care was not an element to be considered in determining the plaintiff's right to recover. This we think was error. The defendant paid the deposit to a person who, upon the evidence, obtained possession of the pass-book and procured the signature of the plaintiff to the power of attorney by fraud, if he signed it at all. It turned out that the power of attorney was defective in form, in that it did not in terms authorize the payment of the fund in question, but related to another and different fund. The defendant could then fall back upon the defense that payment was made to the holder of the book, and hence the question of negligence was involved in this branch of the defense. So the plaintiff, when he failed to satisfy the jury that the signature to the power of attorney was forged, could still urge that, though the signature was genuine, it had been procured by fraud, and

that by the terms of the instrument, whether genuine or not, no power was conferred upon the beneficiary named therein to draw this money, nor any authority upon the defendant to make payment as it did. If it was proper to submit the question of negligence to the jury at the request of the defendant, it was at least equally proper and competent to submit it to the jury at the request of the plaintiff. It could not be submitted in either case unless there were facts and circumstances from which an inference could be drawn one way or the other. The person who presented the book was a stranger, who evidently deemed it necessary to arm himself with something more, and with it he presented a paper, which purported to contain authority to draw money from three savings banks, credited, not to the owner of this deposit, but to another estate, and which, when examined with the requisite care, might furnish reasonable ground for suspicion. It is not the province of this court or of any other court dealing with questions of law to determine the weight and effect of the circumstances brought to the attention of the defendant's officers by the presence of the person in the bank to whom payment was made with the book and the so-called power of attorney, nor to point out the inferences which a careful and prudent man might be expected to draw from them. It is sufficient to say that in our opinion they were of such a character as to require their submission to the jury. The judgment should be reversed, and a new trial granted, costs to abide the event. All concur, except Andrews, J., absent.—*Northeastern Reporter.*

LEGAL MISCELLANY.

CORPORATIONS—CONTRACT FOR STOCK.—The promoters of a proposed corporation agreed to deliver to plaintiff a certain amount of stock "upon the organization of said company, and upon a tender to (them) of \$11,700 on or before the first day of May": *Held*, that the organization of such corporation was a condition precedent to any obligation of the plaintiff to make the tender in order to preserve his rights under said agreement. [*Manistee Lumber Co. v. Union Nat. Bank*, of Chicago, Ill.]

CORPORATIONS—FRAUDULENT ORGANIZATION.—Where a new corporation is organized by the sanction and concurrence of the officers of another corporation for the express purpose of acquiring its property, and the transfer of the property is accomplished mainly through the efforts of such officers, who in the meantime have become new directors in the new corporation, and the only consideration for the transfer is an agreement by the new corporation to issue to the old a small part of its stock, the transaction is void as against the creditors of the old corporation. [*Vance v. McNabb Coal & Coke Co.*, Tenn.]

NEGOTIABLE INSTRUMENTS—BONA FIDE HOLDERS—NOTICE.—A manufacturing corporation received negotiable notes for property sold. The notes were discounted by a banking firm, in which the president of the corporation was a partner, but he had no actual knowledge as to the consideration for the notes, or of the transaction in which they were given: *Held*, that the mere fact of his connection with the two concerns was not sufficient to affect the banking firm with constructive notice of the consideration for the notes and of an alleged failure thereof. [*Richmond Railway & Electric Co. v. Dick*, U. S. C. C. of App.]

NEGOTIABLE INSTRUMENT—INDORSEMENT—PAROL EVIDENCE.—Where a bill or note is transferred by indorsement "without recourse,"

parol contemporaneous evidence that the indorser guaranteed payment is inadmissible, because contradictory of the terms of the written contract. [*Youngbred v. Nelson*, Minn.]

NEGOTIABLE INSTRUMENTS—LOST NOTE—BOND.—Where a negotiable note is lost before it becomes due, the court will require the plaintiff to give an indemnifying bond to the maker as a condition of recovering judgment, but where the instrument is lost after it becomes due no bond ordinarily will be required. [*Means v. Kendall*, Neb.]

NEGOTIABLE INSTRUMENT—PLEA IN ABATEMENT.—In a suit on a note against the maker, a plea in abatement by defendant setting up a mistake in the note, without asking for a reformation or for affirmative relief of any kind, is insufficient. [*Scott v. Norris*, Ind.]

NEGOTIABLE INSTRUMENT—PRACTICE.—In an action on a note by the transferee thereof against the maker and the indorser, a corporation, in passing on the motion for a nonsuit, the court's remark that "the testimony shows that the transfer of the note was made by the officers of" defendant corporation was not a comment on the evidence prohibited by Const. art. 4, § 16. [*Blue v. McCabe*, Wash.]

NEGOTIABLE INSTRUMENT—SIGNATURE SECURED BY FRAUD.—When the signature of an illiterate person is obtained to a promissory note by the payee fraudulently inducing him to believe that he is signing an instrument of an entirely different character, without any fault or negligence of the maker, the note cannot be enforced, even in the hands of a *bona fide* holder. [*Willard v. Nelson*, Neb.]

NEGOTIABLE INSTRUMENTS—TRANSFER OF NOTE.—When a party indorses and transfers to another a negotiable promissory note secured by mortgage upon real property, he, as between the parties, transferred the debt, and equitably assigns the security, although both debt and security exist in a different form from what the parties to the transaction supposed. [*Meeker County Bank v. Young*, Minn.]

NOTARY PUBLIC—ACKNOWLEDGMENT.—Where a notary public is neither a party to the mortgage nor has any interest in it, he is not disqualified to take an acknowledgment thereof because he has acted as the agent of the mortgagor in obtaining a loan of money which the mortgage was intended to secure. [*Penn v. Garvin*, Ark.]

BANK CHECKS—NEGOTIABILITY OF.—A bank check, fraudulently procured, is not a negotiable instrument in the broad sense which would protect an assignee, but is *quasi* negotiable, like certificates of stock in a corporation, or certificates of deposit in a bank. Affirmed, and certified to the Supreme Court for final determination. [*Famous Shoe Co. v. Crosswhite*, St. Louis Court of Appeals.]

CONTRACT TO LOAN MONEY—CONSIDERATION.—A contract to make a loan of money, founded upon a sufficient consideration, and so expressed as to show what each party bound himself to do, is within the contracting capacity of the parties, and just as binding as a contract in respect to any other subject matter. [*Corle v. Monkhouse*, N. J.]

PROMISSORY NOTE—FRAUD—INNOCENT PURCHASER.—Where a party, intending to bind himself by some obligation in writing, voluntarily signed his name to what he supposed to be the obligation he intended to sign, having full means of ascertaining the character of such instrument before signing it, but fails to inform himself, or relying upon representations of another as to the contents of such instrument, signed and delivered a negotiable note, he cannot be heard to impeach its validity in the hands of a *bona fide* holder. [*Corwigg v. Petifish*, Kansas City Court of Appeals.]

THE IMPROVEMENT IN THE LAWS OF ILLINOIS GOVERNING NEGOTIABLE PAPER.

The following address was delivered by Mr. J. J. P. Odell, President of the Union National Bank of Chicago, before the Bankers' Club of that city :

The laws of Illinois on the subject of negotiable paper are in a most unsatisfactory condition. In nearly all commercial communities of the world what is known as the "law merchant" prevails, by which the rights and liabilities of all parties to commercial paper are easily understood and well known. In this State, however, there still remains on our statute book a relic of colonial days, when the exchanges of the people were carried on quite as much by barter of personal property as by the use of money. In those days promises to pay so many codfish, pounds of tobacco, bushels of wheat, corn or potatoes, bundles of shingles, or the like, were as current as promises to pay money at the present day. In view of this fact it was no doubt then deemed wise to make these promises negotiable, and to modify the law merchant to fit the necessities of a pioneer people. However well these early enactments may have served the exigencies of the early times, they have long since outlived their usefulness and been repealed, and the law merchant restored in all the States, so far as I have been able to ascertain, except Indiana and Illinois.

Those parts of our statutes which are most obnoxious to modern usage were enacted in 1827, when the State contained less than 150,000 people. It provides, among other things, that all promissory notes, bonds, due bills, and other instruments in writing, whereby the maker promises or agrees to pay any sum of money, or articles of personal property, or acknowledges any sum of money, or article of personal property, to be due to any other person, shall be negotiable by indorsement thereon, so as to be enforceable absolutely by a holder in good faith. No distinction being made between a promise to pay money and a promise to pay in personal property. Promises to pay in cash, or in cabbage, are alike currency under this law. It further provides that such instruments can only be transferred by the indorsement of the person to whom they are made payable, who is then denominated an assignor, instead of an indorser, as by the law merchant. If the maker does not pay his cash or his cabbage as agreed, no notice of dishonor need be given the assignor; but the holder of the promise must sue the maker to the first term of court, and endeavor to make him pay. If collection cannot be thus enforced out of the maker, then the assignor becomes liable to the holder. But if suit is not brought against the maker to the first term of court, after maturity of the paper, then the assignor is discharged altogether, unless the holder can affirmatively prove that a suit against the maker would have been unavailing, or that he had absconded, or resided out of the State.

Most business men of Illinois, and probably most of our adult people, understand the features of this anomalous law, and govern themselves accordingly. The rest of the commercial world are in ignorance of it.

The exchanges carried on annually between this great State, and other States and nations, run away into the billions. Commercial paper made, indorsed, and payable here, to the amount of many millions of dollars, is issued in the course of trade to people in nearly every

civilized community on the globe. They assume, and have a right to, that the laws of the civilized world, that is to say, the law merchant, prevail in the State of Illinois and its great commercial metropolis, the fourth city on the globe. Treating our promissory notes received by them as governed by that law, they not infrequently learn to their sorrow that our statute concerning negotiable paper was enacted, not for a commercial community, but for the hunters, trappers, and pioneers of the early day, when barter took the place of currency, and when payments at maturity were scarcely expected and seldom enforced. It is not too much to say that ignorance of the peculiarities of this statute causes an annual loss to holders of our paper, living out of the State, amounting to a million dollars or more, and no end of embarrassment. In the faith of a good indorsement, the foreign holder postpones suit against the maker for a few days or weeks, and thus often loses his remedy against the indorser altogether. In Cook County, where we have two terms of court each month, most extraordinary promptness is required in beginning suit, so as not to discharge an indorser.

This primitive statute has another most obnoxious application. Negotiable paper is governed by the law of the State where it is made payable. Many millions in bonds and business paper made and indorsed in other States, but payable at some bank or trust company in Chicago, are annually put in currency throughout the country. Their negotiability and the liability of indorsers thereon are governed by the law of Illinois. Thus this absurd statute is imported, unbeknown, into every such security made elsewhere and payable here. If this fact were generally known, it would have a tendency to discredit our position as the great and growing financial center for the exchanges of the great West.

People whose ideas of commercial integrity are not of a high grade would probably be quite content with the losses of outsiders, occasioned by ignorance of our laws, on the ground that what is their loss may be our gain. No one actuated by the principles of business honesty could, however, take that view of it. The losses which fall upon outsiders are, however, far less than those which occur to our own people under the operation of this law. For instance, an indorsed note comes due and is not paid, all parties living in this State. Unless the maker has made an assignment, the holder, in general, has no means of knowing or proving whether a suit against him would be unavailing or not. The best legal proof is a judgment and unsatisfied execution. To obtain judgment requires from a month in some parts of the State to two or three years in others. In Cook County the longer period is often necessary, and here nine-tenths of the commercial transactions take place. It is said, and is probably too true, that a lawyer who cannot delay a case even on a promissory note from one to two years does not know his business. Pending this delay the indorser is liable to fail in the natural course of things, or, if the amount be large in proportion to his property, will quite generally put his house in order to evade payment before the ultimate day when he can lawfully be called upon.

If, instead of suing the maker, the holder of the note proceeds at once against the indorser, on the ground that a suit against the maker would be unavailing, he must prove that fact before he can recover. How will he prove it? The relations commonly existing between the maker and indorser of notes are those of friendship. Neither will swear against the other unless he is obliged to. In a suit against the indorser, the maker, unless he had made an assignment, will swear that had he been promptly sued, he had property out of which the money could have been made, and he would probably swear to the truth. Yet it is certain that had he been thus sued, and judgment been obtained,

the sheriff could never have laid hold of that property. People who are liable on notes, in any capacity, which they do not intend to pay, are seldom found by the sheriff with anything in their possession to levy on.

So the holder of a dishonored note is oftentimes "between the devil and the deep sea" for a remedy. Whether he should first attack the maker or the indorser, he can seldom determine with certainty. Either course is dangerous. Halting between the two, he frequently does not act at all, or acting, finds at the end of a lawsuit that the remedy adopted was the wrong one and so loses his debt altogether. I make these statements from an observation of many years. They will be appreciated and confirmed by the knowledge of business men throughout this State. Illinois bankers seldom suffer in the way indicated. They know our law and avoid its force by requiring guaranties instead of indorsement, but their customers, and banks and business men in other States meet continual losses by reason of the imperfect condition of the abominable local statute to which I have referred.

There is another remarkable feature of this statute as expounded by our Supreme Court which is quite unaccountable on any basis of common sense or common honesty. A note payable simply to bearer is negotiable, but if payable to some person by name, or bearer, it requires the indorsement of that person to make the note negotiable. Millions of dollars of paper made in Illinois and payable to some person by name, or bearer, are probably at all times in circulation, not indorsed, in the form of notes, bonds, etc. No one but the person named in these securities could enforce payment of them. Title to them can pass in no way except by his indorsement. Any defense existing between him and the maker can be interposed. In other words, they are not negotiable without indorsement, simply because they run to some payee or bearer instead of to bearer only. This feature of the law caps the climax of absurdity. Yet this entire law, and this, its most ridiculous feature, has been in force in this State for nearly seventy years and no attempt has been made to repeal or modify it.

Is it not high time that our laws governing negotiable paper should be put upon a plane with the other great commercial communities of the earth? Surely this great State and this great city, the peers in business integrity of the best, should have laws equal to the best governing the billions of business paper handled by ourselves and our neighbors throughout the vast region where we have commercial intercourse.

Now the remedy for all the troubles and embarrassments to which I have referred, is exceedingly simple and easy to accomplish if the Legislature will only give it attention. It would be sufficient to repeal the entire chapter of the Revised Statutes concerning negotiable instruments, and enact in its place these lines as follows: "The rights and liabilities of all parties to or upon negotiable notes and bills of exchange, shall hereafter be controlled and determined by the "law merchant." Such simplicity of enactment, however, is not customary in this State. The law merchant touching bills and notes is probably better known to business men throughout the world than any other with which they are concerned. It is not unlikely, however, that there would be found in the Legislature some who would not be inclined to favor a repeal of that portion of the law which places contracts for the delivery of personal property on the same plane as to negotiability with notes payable in money. I do not deem it material in the interest of commerce to disturb that portion of our law. All that is requisite is the enactment of the law merchant to govern negotiable paper payable

in money, so that any man who takes a piece of that paper anywhere will fully understand its nature and the liabilities of the parties; that is to say, that upon its dishonor, every party to it, upon due notice, becomes instantly liable for its payment. The onus of adjustment or settlement between them should not be thrown upon the holder, but should be borne by themselves.

For the efficient administration of the law merchant it is desirable that the holder of negotiable paper may include all or any of the persons liable upon it in one suit. There is neither propriety nor necessity in requiring several suits, when all can be included in one if the law so authorizes.

It should be further provided that when suit is brought against persons jointly liable, as for instance, partners, and only a part of them have been summoned by reason of absence or the like, that judgment could not be entered and enforced against the joint property of all, but only against the individual property of those actually served. As our law now is, in such a case, the joint or firm property cannot be seized at all unless all the partners are served with summons. It often happens that when suit is brought some member of a firm is temporarily or perhaps purposely absent from, or may be resides out of the State. In such cases only the individual property of the partners served can be touched. That of the firm cannot be seized upon execution or sold as partnership property. Surely our laws should not remain in this condition.

PROPOSED AMENDMENT.

An act to amend Section VII. of "An act to revise the laws in relation to promissory notes, bonds, due bills and other instruments in writing," approved March 18, 1874, and to regulate the conduct of suits for enforcing payment of certain negotiable instruments on which parties are jointly or severally liable.

Be it enacted by the people of the State of Illinois represented in the General Assembly :

SEC. I. That Section VII. of "An act to revise the law in relation to promissory notes, bonds, due bills and other instruments in writing," approved March 18, 1874, is hereby amended so as to read as follows :

The rights of the lawful holders of promissory notes, payable in money, and the liability of all parties to or upon said notes, shall be the same as that of like parties to inland bills of exchange according to the custom of merchants. Every assignor of every other note, bond, bill or other instrument in writing mentioned in Section III. of this act shall be liable to the action of the assignee or lawful holder thereof, if such assignee or lawful holder shall have used due diligence by the institution and prosecution of a suit against the maker thereof, for the recovery of the money or property due thereon, or damages in lieu thereof. But if the institution of such suit would have been unavailing, or the maker had absconded, or resided without, or have left the State when such instrument became due, such assignee or holder may recover against the assignor as if due diligence by suit had been used.

SEC. II. Persons severally liable upon bills of exchange or promissory notes, payable in money, may all or any of them severally be included in the same suit at the option of the plaintiff, and judgment rendered in said suit shall be without prejudice to the rights of the several defendants as between themselves.

SEC. III. In any suit mentioned in the preceding section a separate judgment may be entered by default against any defendant or defendants severally liable who have been duly served with summons, and

against whom the plaintiff would have been entitled to judgment had the suit been against such defendant or defendants only. The suit shall thereby be severed, and shall proceed to trial against the other party or parties in the same manner as if it had been commenced against such other party or parties only, and if the plaintiff recover judgment shall be entered against such one or more of the defendants as are found liable to him, but in no event shall the plaintiff be entitled to more than one satisfaction.

SEC. IV. Whenever the drawer or indorser of an accepted bill of exchange, or the indorser or guarantor of a promissory note shall have been joined with the acceptor of said bill or the maker of said note in a suit to enforce collection thereof, and judgment has been recovered against any such drawer, indorser or guarantor who shall thereafter pay the same, the person so paying shall be entitled to have the judgment released as to him, but the same shall, at his option, stand and may be enforced by execution under the order of the court against any other party thereto who remains liable to the party paying as upon said bill or note, for the reimbursement of the party so paying. If there be any contest as to such liability the court may order an issue to be made up between the contesting parties, which shall be summarily determined as the court may direct.

SEC. V. In all suits on negotiable instruments where any of the defendants are jointly liable, and only one or more, but not all of them have been served with summons, if the plaintiff recover, judgment shall be entered in form against all the defendants so jointly liable, but so far only as that it may be enforced against the joint property of all and the separate property of the defendants served.

SCOTCH BANK DEPOSITS.

With most English provincial banks money placed on deposit receipt is at short notice, the period ranging from a few days to a month, or even longer. Not only does the rate vary with the period, but the different banks keep themselves free to make what terms they please with their customers, and they can, with a narrow limit, modify the rate according to their needs or to the nature of their outlets. The system of requiring notice has many advantages, if, indeed, it be not a necessity with banks whose till-money over a whole branch system has to be kept in gold. In a time of financial trouble, the bank is practically secured against risk of an overwhelming demand upon its resources, before there is time to gather these together; and even in the course of ordinary business this element gives the banker freedom to utilize a large part of his funds in temporary advances of short currency, which he would not enjoy if he might at any moment be called upon to pay in specie large sums of deposit money, at branches widely remote from each other, and from the head office.

In Scotland, the banks stand on a different footing. United by an understanding that all will do business on the lines decided on by the managers in council as being the best for all concerned, competition for deposits by offering special terms is unknown. The periodical changes of rate are simultaneously made by all, and, so far as advantage to the depositor is concerned, he has no reason, unless it be proximity or friendship, for preferring one bank to another. In these circumstances, the manager can have little direct influence in swelling the deposits

beyond what he may exercise on his personal connections. The experience never fails, however, that if the general business, whether at head office or branch, be conducted with uniform courtesy and dispatch, if careful attention be given to all duties undertaken on behalf of the customers, and if reasonable liberality be shown in all the departments, the amount of deposit money will, on the average, steadily grow, unless there be some special hindrance peculiar to time or place.

Perhaps the most practical step which the manager can take in the way of increasing deposits is to make sure that the officials who actually meet the customers at the bank counter are well suited for that post. The manager himself never sees the small depositors, whose lodgments form the backbone of the deposit receipts, nor can the agent at a large branch know personally all his smaller clients of that class. To many of them the cashier or teller is the "banker." If he be genial and obliging, ready to assist and to explain, continuance and increase of the business is assured, while if he be curt, impatient, or sullen, a process of decline may set in which will baffle the agent, perplex the head office, and sap the very foundations of prosperity.

In Scotland, the whole of the money lodged with banks lies at call, the practicability of this, at a multitude of branches, being one of the incidental advantages of the Scotch system of issue, whereby an abundant and inexpensive supply of till-money can be kept at even the smallest branch, in the form of the bank's own notes. The lodgments are partly in the form of deposit receipts, and partly in that of current account balances, the relative proportions of these varying with the nature of the district. With lodgments on deposit receipt, the only condition is, that no interest will be paid should the money be uplifted within a month, and at the expiry of that period, principal and interest remain indefinitely at call of the depositor. These lodgments fluctuate less than the average of daily balances, and they cause less trouble than operative accounts. The interest rates are arranged from time to time by the associated managers, and are always fixed at a figure which will allow of a fairly remunerative employment of the funds.

Deposits for a fixed term are not taken by Scotch banks, but the success of colonial deposit agencies in our midst is evidence of the demand for such a security. Home banks would always get a decided preference, and it is probable that a yearly rate, based on a moderate average, although very much lower than what is offered by foreign competitors, would keep in this country much money which now goes elsewhere, and this without saddling the banks with a higher interest charge than at present. When a fluctuating interest rate falls to its lowest point, people seldom consider the average return, but rather seek another investment, and the money thus lost to the bank has to be made up before increase can begin. There may be practical objections to the system, but an alternative scheme of the kind would meet a not infrequently expressed want.

The aggregate sum at credit of a bank's current accounts is considerable; and although the individual items fluctuate to a notable extent, they compensate each other, and the fund may, in ordinary circumstances, be depended upon to maintain its average level. The interest rate is low even on the best individual accounts, while on the total, owing to the mode of calculation now in use, it is still lower, and not improbably a near future may see its entire abolition. Small accounts are often troublesome, and not in themselves worth the ledger pages which they occupy; but it is not good policy to discourage them on the mere ground of clerical labor. A proportion of these trifling accounts will certainly increase in value as years go on; the worst of them will occasionally lead to a little commission-paying business; the aggregate

balances at credit amount to a not inconsiderable sum; and every man who is in the habit of crossing the threshold of a bank, for whatever purpose, extends its connection, and may at some time be the means of a useful introduction.—*North British Economist*.

GOLD AND SILVER.

Mr. E. O. Leech, the Director of the Mint, has transmitted to Congress a report on the production of the precious metals, covering the calendar year 1892. The value of the gold product from the mines of the United States was approximately \$33,000,000, about corresponding to the average product of recent years, being slightly less than the product in 1891, and somewhat larger than the product of the two prior years.

The product of silver from our own mines is placed at 58,000,000 ounces, of the commercial value, at the average price of silver during the year, of \$50,750,000, and of the coining value in silver dollars of \$74,989,900. This is a falling off of 330,000 ounces from the product of the preceding year. The director reports that there was a diminished silver product in each producing State and Territory of the United States, except in Montana and Colorado, the two large silver-producing sections. In the former the product increased about 1,000,000 ounces over 1891. In Colorado the returns show an increased silver product of 3,000,000 ounces. The largest falling off was in the States of Nevada and Idaho and the Territory of Utah. In Nevada the silver product fell from 3,500,000 ounces in 1891 to 2,244,000 in 1892; in Idaho from 4,035,000 ounces in 1891 to 3,164,000 in 1892, and in Utah from 8,750,000 ounces in 1891 to about 8,000,000 in 1892.

Of the silver product of the United States about 26,423,000 ounces were extracted from milling ores (silver ores proper), about 24,733,000 ounces from lead ores and about 6,844,000 ounces from copper ores.

The value of the gold received at the mints during the year was \$49,888,733, which was a falling off of \$21,026,899 from the deposits of the preceding year.

The amount of silver purchased by the Government during the year, under the mandatory provisions of the act of July 14, 1890, was 54,129,727 fine ounces, costing \$47,394,291, an average of 87½ cents per ounce. From this silver 6,333,245 silver dollars were coined during the year.

The total amount of silver purchased under the act of 1890, to December 31, 1892, aggregates 129,779,322 fine ounces, costing \$124,652,429, an average of 96 cents per fine ounce. Of this 102,947,064 ounces, costing \$96,499,989, remain in the Treasury in bars. The director recapitulates the purchases of silver by the Government since February 12, 1873, as follows:

<i>Act Authorizing.</i>	<i>Fine ounces.</i>	<i>Cost.</i>	<i>Average Price.</i>
February 12, 1873	5,434,282	\$7,152,564	\$1.314
January 14, 1875	31,603,906	37,571,148	1.189
February 28, 1878	291,292,019	308,199,262	1.058
July 14, 1890	129,779,322	124,652,429	0.96
Total	458,109,529	477,575,403	\$1.0425

COURSE OF SILVER.

The course of silver during the calendar year 1892 was almost continuously downward, reaching during the year the lowest price on record. The highest quotation was at the commencement of the year,

\$0.95.9 per fine ounce, and the lowest, August 12, \$0.83 per fine ounce, a decline during the year of nearly 13 cents an ounce. The average price for the year was \$0.87.5 per fine ounce.

COINAGE.

The coinage of the mints for the calendar year was very large aggregating 90,873,134 pieces, of the nominal value of \$48,389,780.92 as follows:

	<i>Pieces.</i>	<i>Value.</i>
Gold.....	3,091,163	\$34,787,222.50
Silver dollars.....	6,333,245	6,333,245.00
Subsidiary.....	32,099,252	6,307,833.00
Minor.....	49,349,474	961,480.42
	<u>90,873,134</u>	<u>\$48,389,780.92</u>

The coinage of the year included 950,000 Columbian half-dollars. In addition to the coinage gold and silver bars were manufactured as follows:

Gold.....	\$23,200,637
Silver.....	7,391,296

Gold bars were exchanged for gold coin, for use in the industrial arts during the year of the value of \$8,739,184.

IMPORTS AND EXPORTS.

The imports of gold aggregated \$18,165,056, and the exports \$76,735,592, a net loss of gold of \$58,570,536. The silver imports aggregated \$31,450,968, and the exports \$37,541,301, an excess of silver exports of \$6,090,333.

MOVEMENT OF GOLD FROM THE UNITED STATES.

The director reviews the recent movement of gold from the United States, commencing in May, 1888. During the last year, that is, from February 19, 1892, when the last movement commenced, to February 15, 1893, the export of gold from the port of New York has aggregated \$90,728,839.

GOLD AND SILVER USED IN THE INDUSTRIAL ARTS.

The amount of gold used in the industrial arts in the United States during the last calendar year was \$19,329,000, of which \$10,588,703 was new bullion. The amount of silver used was \$9,350,000 (coining value) of which \$7,204,210 (coining value) represented new bullion.

STOCK OF MONEY IN THE UNITED STATES.

The total metallic stock on January 1, 1893, was estimated to have been

Gold.....	\$649,788,020
Silver.....	593,365,365
Total.....	<u>\$1,243,153,385</u>

The stock of gold in the United States fell off during the last calendar year \$39,000,000 while the stock of silver increased \$46,000,000. The amount of money in circulation (exclusive of the amount in the Treasury) was \$1,611,321,753 on January 1, 1893, an increase of \$18,928,124 during the year.

WORLD'S PRODUCT OF GOLD AND SILVER.

The report presents the revised tables of the product of gold and silver in the United States for the last three calendar years as follows:

Year.	Gold, value.	Silver, fine ounces.
1890.....	\$113,149,600	133,212,600
1891.....	118,316,850	144,463,200
1892.....	130,417,050	152,119,300

There was an increase of over \$12,000,000 in the gold product of the world during the last calendar year. Of this increase \$2,500,000 was from Australia, and over \$9,000,000 from South Africa. The product of gold in Australia during the last calendar year aggregated \$33,870,000 against \$33,000,000 in this country, while the product of South Africa aggregated \$23,293,000, placing this country ahead of Russia as a gold producer, and second only to the United States and Australia. In conformity with the criticisms of Professor Suess, Dr. Soetbeer and other eminent statisticians the product of gold credited China, annually in the reports of the Mint Bureau, has been eliminated, as there is no evidence of any gold product in that Empire. The estimates heretofore allowed have been based upon the exports of gold from China annually to London and British India.

The total product of silver in the world increased during the last calendar year about 7,650,000 ounces, occasioned by an increase of 4,600,000 ounces in the product of the Mexican mines and 3,400,000 in the product of the mines of Australia. Notwithstanding the strike of four months in the mines of the Barrier Range, the product of silver in Australasia aggregated during the last calendar year 13,439,000 ounces. The report is replete with valuable statistics covering the product, use, and movement of the precious metals in the world, and contains a review of the product of the mines of each of the gold and silver producing countries of the world.

GOLOID DOLLARS.

There are said to be only a hundred and thirty-five of the famous "goloid" dollars in existence. The first of these which came from the mint is in the possession of Col. John A. Stephens, of Augusta, Ga., having formerly been the property of Alexander H. Stephens, ex-governor of that State and chairman of the committee on weights, measures and coins at the time these historic pieces were "struck." The goloid dollar is about the size of a silver half dollar, hardly as thick, and very much lighter. It has a bronze color, darker than gold, which is due to the copper contained in its composition. On one side are the words "United States of America, 100 cents." On the rim and in the center are these words, letters and figures: "Goloid metric, 1. G.; 16.1, S.; 1, 9, C. Grams 14.25." On the other side are the words "E. Pluribus Unum, 1873" (this latter legend around the rim), and in the center the head of a female with the word "Liberty" across her brow. The figures, if I have not been misinformed, indicate the various metals used in making up the "goloid" composition, which was the invention of a goldsmith by the name of Hubbell. The composite metals in the make-up of this, the oddest of the United States coins, are said to be worth exactly 100 cents in gold. "Goloid" is a composition of nineteen different metals, of which one part only (16.1) is gold.—*Philadelphia Press*.

BOOK NOTICES.

American Railroads as Investments. A handbook for investors in American railroad securities. By S. F. VAN OSS. New York: G. P. Putnam's Sons. 1893.

The author declares that the railroad manuals now existing have two defects, either they are too complicated for the average investor or do not contain enough to satisfy experts. To meet these requirements the present work has been written. The work is divided into nine parts. They relate to general matters, the growth and grievances of railroads, competition and its consequences, consolidation, rates, capitalization and kindred subjects. The last six parts contain a description of the great railroad systems of the country grouped as Eastern, Central, Northwestern, Southwestern, Pacific and Southern. Though 170,000 miles of railroads are described, by reason of the comprehensive and systematic plan adopted, the author has described the leading features of the great railway systems in comparatively brief space, yet with sufficient fullness doubtless to satisfy the quest of any investor. The amount of money invested in railways to-day is enormous, and while a great deal is written on this subject, most of the information is prepared carelessly, and only a few realize, until they attempt to find out, how difficult it really is to obtain accurate information of the details herein given.

The author has a proper appreciation of the superiority of the Pennsylvania railroad system. He says, "the Pennsylvania is universally regarded as the first and foremost railroad system of the United States. It embraces 7,950 miles of railway and canal, and represents an investment of \$700,000,000; it carries 87,000,000 passengers and 130,000,000 tons of freight, yielding a gross revenue of more than \$134,000,000 per annum; its lines extend into twelve States and inter-connect seven of the most prominent cities of America; it embraces one-twentieth of the mileage operated by all the railroads of the United States; and in connection with this last statement there can be no more striking proof of its unique position than the fact that its gross earnings amount to fully one-ninth of those of all American railroads. The Pennsylvania is in every respect the standard railway of America. Its rails and rolling stock, its ballast and bridges, its stations and service, are regarded as embodying a state of perfection to equal which should be the highest ambition of every railroad company in the country.

The causes to which the Pennsylvania owes its greatness are: a very favorable geographical situation, a remarkably able management, and exceptionally judicious financing. The company which acquired the original State Railway was composed of Philadelphia financiers who always enjoyed a reputation for the soundness of their principles; its stock was never inflated, nor did it ever become a playball for Wall Street; until recently it was not even quoted in New York. The company's finances have been conducted on principles more English than American, and the major part of its capital consists of shares and represents actual outlay, in consequence whereof it is surprisingly small, the parent company, which practically controls the entire system of 8,000 miles, having shares and bonds to the aggregate amount of

but \$200,000,000, only one-third more than the New York Central, its great rival both in business and in point of excellence, which owns a much smaller mileage.

The history of the Pennsylvania Railroad requires but very little space; brief reference will be made below to two or three events of interest, and beyond these there is little to record. The company was never embarrassed and always met its obligations. No doubt the story of its growth would be interesting reading to those more deeply concerned in railroads, but that portion of the public for the patronage of which the author caters will find most data it requires in the subjoined tables showing the growth of the system, traffic, and revenue, and for that reason the space allotted to this chapter will be devoted to a description of the railroad as it is to-day. It will be most suitable to our purpose to subdivide the system into three sections, Eastern, Western and Central."

The A B C of Foreign Exchanges. A practical guide. By GEORGE CLARE. London: Macmillan & Co., and New York. 1893.

This work is the substance of a course of lectures delivered by the author in 1892 before the members of the London Institute of Bankers. The treatise by Mr. Goschen on foreign exchanges is well known, and Mr. Clare has not attempted an explanation of the principles relating to the subject. The work is rather an explanation of the actual business. It therefore may be regarded as an introduction to a work like Goschen's. Every page indicates the author's familiarity with the subject; indeed, if we were to indulge in any criticism we should say that his own familiarity has sometimes led him to assume a greater knowledge on the part of his readers than they possess. Every one who desires to understand the operations of exchange needs this work, for it is the clearest and most concise description ever published.

History and Economics No. 1. The Tariff Controversy in the United States 1789-1833, with a summary of the period before the adoption of the constitution. By ORRIN LESLIE ELLIOTT, Ph. D., of the Leland Stanford Junior University, Palo Alto, California. Published by the University.

Many of the leading educational institutions are publishing periodicals and monographs, and a day may come when each will have a printing press of its own. In the last number some reference was made to the rapid increase of economic publications coming from this source. The publication before us is an elaborate and well written monograph of 272 pages. It also deals with the colonial period—indeed, to many this will be the freshest chapter in the work. The second chapter opens with the tariff of 1789 and Hamilton's report on manufactures, and the subject is developed from that period until 1833. There was some interesting tariff legislation during the war of 1812, but the monograph leaves off at the period when other changes were made in the tariff of a most important character, leading to very serious results. The monograph as a whole is worthy of the great institution under whose name it appears.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CONN....	Birmingham..	Derby Sav. B'k.	N. J....	N. Brunswick.	People's Nat. B'k.
MASS....	Brookline....	Brookline Nat. B'k.	"	Woodbury...	First Nat. B'k.
MICH....	Jackson.....	Jackson City B'k.	N. Y....	Middletown..	Orange Co. Trust & Safe Deposit Co.

Other banks which have made minor improvements, put in new vaults, etc., are the following :

N. H....	Manchester...	First Nat. B'k.	OHIO....	Tiffin.....	Tiffin Nat. Bank.
N. Y....	Mayville.	Skinner, Minton & Co.	TEXAS..	Fort Worth..	American Nat. B'k.

BANKS WHICH ARE INCREASING THEIR CAPITAL :

IND.....	Elwood.....	First National Bank, from \$50,000 to \$100,000.
MICH....	Homer.....	First State Bank, from \$25,000 to \$35,000.
MINN....	Minneapolis...	Standard Bank, from \$25,000 to \$35,000.
"	St. James.....	State Bank, from \$25,000 to \$50,000.

SALES OF BANK SHARES :

<i>Location.</i>	<i>Name.</i>	<i>Sold at</i>	<i>Par.</i>
N. Y....	Ellenville...	First National Bank.....	126½ 100
"	Middletown..	First National Bank.....	112 100
"	"	Merchants and Mfrs. National Bank..	120 100
"	Newburgh...	Highland National Bank.....	132½ 50
"	"	National Bank of Newburgh.....	165½ 100
"	"	Quassaick National Bank.....	152 25
R. I....	Newport....	First National Bank.....	200 100
"	"	Union National Bank.....	97½ 90

A FAMOUS BANK NOTE ENGRAVER.—John Geike Wellstood, the oldest bank note engraver in this country, died at his home in Greenwich, Conn., recently, at the age of eighty years. Mr. Wellstood was born in Edinburgh, Scotland, Jan. 18, 1813. His father, James Wellstood, was a shawl manufacturer at Paisley. The young man came to New York in 1833, and was apprenticed to the trade of bank note engraving with the firm of Rawdon, Wright & Co of this city. He remained with that firm until 1847, when he engaged in business for himself in the firm of Wellstood, Benson & Hanks at 48 Merchants' Exchange. The firm's name was afterward changed to Wellstood, Hanks, Hay & Whiting, and it stood the leader in the business until 1858, when it was merged in the incorporation of the American Bank Note Company. Mr. Wellstood was Superintendent of the Lettering Department of that concern. In 1871 he left New York and founded the Columbia Bank Note Company of Washington, D. C. While he was president of that company he designed and engraved a great part of most of the United States green-back notes, especially those of the issue of 1872. The feature of the engraving upon these notes is the elaborate detail of the lathe work and the delicacy of the lines in the intricate pattern. This issue has never been counterfeited, and it was said by a son of Mr. Wellstood that it stood unique in this respect. The letters and "counters," or figures, on these notes are the work of Mr. Wellstood's own hand. No two of them are alike, although at a casual glance the 5's and V's on the

diagonally opposite corners of the note appear to be of the same pattern. When the printing of the notes passed into the hands of the Government in 1879, Mr. Wellstood returned to the American Bank Note Company, and remained in its employment continuously until his death. He was in active business for sixty-five years. He was a man of great energy, and was never so contented as when busy upon a difficult piece of work. He always used the flat graver, disdaining the three-cornered tool favored by less skillful hands. He was altogether the quickest workman in his trade, and, even as an old man, could do better work and faster than any of the younger men in the business. Whenever the American Bank Note Company had an important piece of work for whose delivery only a short time was allowed it always sent it to Mr. Wellstood. Mr. Wellstood was frequently called as an expert in cases of alleged counterfeiting, where the bogus work was of the highest class known to the criminal profession. About 1872 he was called by the Government to testify as to the genuineness of a five-hundred-dollar note which all the experts in the Treasury Department agreed was a counterfeit. He examined the note with his glass for a whole day, and then decided that it was not a counterfeit, but a "spurious issue"; that is, a note printed from the genuine plate, but by inexperienced, and hence unlawful, hands.

EASTERN STATES.

MASS.—The appointment of Samuel O. Lamb, Greenfield's well-known lawyer, as a commissioner of the savings banks, by Gov. Russell, is the cause of general congratulation, and the hope prevails that the nomination will meet with the approval it deserves of the council. Mr. Lamb has been a trustee of the old savings bank, the Franklin Savings Institution, since 1856, and its president for twenty years. He has given much time to its affairs and is thoroughly conversant with the best savings bank methods. Should his appointment be confirmed he will accept. He will for the present retain the office, corner of Main and Federal streets, he has occupied for 31 years, but will necessarily relinquish his practice. The nomination came as a surprise to him. It was suggested to the Governor some months ago at the time of the withdrawal of the Scates appointment and favorably considered; but he returned to the name of Mr. Sayles and urged him until the action of the council made it clear that there was no hope of agreement on him. The commission numbers three members and the salary is \$3,000, and \$3,500 for the chairman.

SALEM, MASS.—The resignation of Mr. Edward H. Payson, as cashier of the First National Bank, in this city, is an occurrence of unusual interest in banking and business circles, on account of his long connection with that institution and the distinguished rank he has held in the financial world. He has been the cashier of the bank for over sixty-six years, which is probably a longer time of bank service than can be instanced in any other part of the country. Mr. Payson has long been recognized as the Nestor among bank officers in this vicinity—the veteran of veterans—and is widely recognized as an authority in financial matters. He is now in his 90th year, and yet his slender figure, erect form, and active movements, as his familiar form appears daily on our streets, betoken remarkably good health for one of his years. The infirmities of age of course weigh somewhat heavily upon a person so venerable, and it is not singular that he seeks the ease of private life. Mr. Payson was born in Dorchester, but early removed to Salem, and began his business life as clerk and cashier in the office of Fenno & Co., a noted brokerage house in the old time, on Essex street, corner of Central, where the Shawmut Hat Store now is. He was called from this place to the cashiership of the Commercial Bank, in 1825, and that bank in 1852 became the First National. In consideration of his long and honorable services the directors of the bank have conferred upon him the honorary title of Cashier Emeritus, which he certainly richly deserves. They have also, it is stated, adopted complimentary resolutions. Apart from his position as a bank officer, it is hardly necessary to say, that Mr. Payson is one of our most respected citizens. Mr. Gilbert L. Streeter has been chosen cashier of the bank to fill the vacancy caused by Mr. Payson's retirement.

NEW YORK CITY.—J. Pierpont Morgan, the New York banker, who gave \$50,000 for the free library in Norwich, sent the Athenæum trustees a deed of the

lot on Main street, next south of the building, saying that they evidently needed more room. There are no conditions in his gift of the lot, which cost \$25,000.

NEW YORK CITY.—The banking firm of Kuhn, Loeb & Co. has bought the property at 27 and 29 Pine street for about \$300,000. It is proposed to erect a twelve-story office building on the site.

NEW YORK CITY.—The committee on organization of the new "Tammany Bank," so-called, comprise Messrs. George G. Havens, William C. Whitney, Frederick Cromwell, Oliver H. Payne and R. A. McCurdy, with Mr. Walker A. Pease as secretary. The business of the institution will be begun in May next, in offices in the Mutual Life Insurance Company building, under the title of "The National Union Bank," with a capital of \$1,200,000. The board of directors has not been made up as yet, and consequently the list of officers cannot be announced. The capital stock has all been taken. It has been reported that the committee on organization offered the presidency of the new bank to Mr. John C. Cannon, the popular vice-president of the Fourth National Bank, of which Mr. J. Edward Simmons is president. It is said that after mature consideration Mr. Cannon declined the position. His reason is credited in the Street to the very general belief that President Cleveland intends offering a very important political office to Mr. Simmons, who would naturally resign the presidency of the Fourth National Bank, Mr. Cannon being next in line for the position.

NEW YORK CITY.—A new "sky-scraper" is to be added to the already large list of towering office buildings in this city, but the one contemplated will be an architectural ornament instead of a monstrosity. The building in question will supersede the old National Shoe and Leather Bank building, at Broadway and Chambers street, will cost \$250,000 and will be twelve stories high. The old building will be torn down shortly, and while the new building is being constructed the bank will occupy quarters at No. 274 Broadway. The building will be primarily in the renaissance style, with a dash here and there of the Spanish. Up to the second story the material will be of warm, red Lake Superior sandstone, but above, to the mansard roof, the material used will be gold-shaded brick, with terra-cotta decorations of a creamy white shade. At a casual glance there will appear to be two towers, one at the easterly and one at the westerly ends of the building. This effect is gained by cutting up the central part of the Chambers street front into bays and piers, and is accomplished without sacrificing space. The height of the building from the sidewalk to the roof will be 163 feet, but owing to the terra-cotta decorations which will run around the building true proportion will be maintained. The space allotted to the bank is two stories and a part of the basement; this gives 2,500 feet of working space, over 1,860 feet in the old building. The principal entrance will be in Broadway, and it will be flanked by two well-designed marble columns. The vestibule inside will be decorated with costly foreign marbles. When completed, the building will be one of the best lighted and equipped structures of its kind in the city.

NEW YORK CITY.—Assistant Treasurer Ellis H. Roberts sent a letter to William Sherer, manager of the Clearing House, stating that the Secretary of the Treasury had decided to allow the use of stamps in final indorsements on disbursing officers' checks passing through the Clearing House. The banks had asked for the privilege in order to lessen the amount of labor involved in handling the great number of checks on the Sub Treasury. Restrictions on the new rule are: First, that the use of the stamp will be confined to disbursing officers' checks presented through the New York Clearing House; second, that the final indorsements on Treasury drafts and Post-office warrants and on checks for interest and on gold and currency certificates must continue to be in writing, as heretofore; third, that before stamped indorsements are accepted from any bank its directors must file a resolution authorizing their use.

NEW YORK CITY.—The Corn Exchange Bank will occupy quarters in the new Morris Building, at the corner of Broad and Beaver streets, during the erection of its new building at Beaver and William streets.

BROOKLYN SAVINGS BANK.—While Brooklyn has no such lofty buildings as the city on the shore of Lake Michigan, which has wrested from her the distinction of being the third city in size in this country, and has relegated her to the fourth

place, a number of new buildings of sufficient height to attract attention, or of such imposing appearance as to make them noteworthy, have been erected in the last few years. No institutions in the city can show more substantial and unique structures than the great savings banks. An important addition to them is to be made in the near future, when the new home for the Brooklyn Savings Bank is completed at Clinton and Pierrepont streets. The Williamsburg Savings Bank, which holds over \$30,000,000 in trust for its depositors, erected many years ago a conspicuous structure at Broadway and Driggs street, the dome of which can be seen from many distant points, and which is usually mistaken for a public building of some sort. The Dime Savings Bank, the third in size in the city in its resources, occupies a marble building of classic architecture at Court and Remsen streets, where once Hooley's Theatre stood. It was put up about ten years ago. A square, substantial building, at Clinton street and Atlantic avenue, is occupied by the South Brooklyn Savings Institution. The Germania Savings Bank put up its fine office building in Fulton street, opposite the City Hall, last year, at a cost of \$100,000. But all of these will be overshadowed by the imposing structure which is being erected for the Brooklyn Savings Bank, the oldest institution of its kind in the city, and second only to the Williamsburg in size, with about \$25,000,000 on deposit. The sum of \$250,000 will be expended upon the structure, the site cost \$200,000, and enough more will be spent in furnishing and fitting up the building to bring the entire cost in round numbers to half a million of dollars. The plot of ground upon which the structure will stand, directly opposite the Brooklyn Club, and diagonally opposite the Long Island Historical Society's building, has been occupied for church uses for more than half a century. The Brooklyn Savings Bank was incorporated by Robert Snow, Andrew Mercein and Robert Nichols on April 7, 1827, seven years before Brooklyn became a city. Adrian Van Sinderin was the first president, and business was begun in the basement of the Apprentices' Library building, at Cranberry and Henry streets, which was the principal public building of the time, and whose cornerstone had been laid by Marquis de Lafayette in 1824, when he paid his final visit to this country. David Stanford became president of the bank after Mr. Van Sinderin, and in 1847, when the present building was erected, Hosea Webster succeeded to the presidency. The bank then had deposits of \$191,000, and a surplus of \$8,000. He held office until his death in 1883, at the age of ninety-four years, and the bank then had deposits of \$20,000,000 and a surplus of \$2,000,000. Henry P. Morgan succeeded Mr. Webster and still holds the office. The resources of the bank are now about \$30,000,000 and there are about 55,000 depositors. The new building, of which the foundations are completed, and the walls are rapidly rising, will front on Pierrepont street. The structure will be of classic design with modifications of the Italian renaissance period. It combines features of the Doric, Ionic and Corinthian orders of architecture, and the red tile roof will be Moorish. The general appearance will be that of a square structure with a pyramidal roof, eighty feet in height, and built of light gray granite, but the exterior will be broke up with many modifications. The feature of the main front will be an imposing recessed arched entrance twenty by twenty-five feet. The entrance will be flanked by polished granite columns and over the top of the arch the name of the bank will be carved, underneath a shallow balcony. Over the windows on each side of the entrance will be ornamental designs, and upon the broad cornice the date 1827 on one side and 1892 on the other, each surrounded with a carved wreath. On the Clinton street side the building has an extension with bay windows and a gable, in which there is a lofty window filled with stained glass, while smaller windows on each side light up the rooms of the officers of the bank. A large window on the opposite side of the structure also lights the interior banking room, and there are a number of skylights to illuminate the interior. The great banking room will be 95 feet wide and 115 feet deep, the largest of its kind in the city. From the floor to the apex of the dome of the ceiling the height will be 75 feet. There will be eight marble Ionic columns supporting the roof, and the walls will be paneled in onyx to the height of 22 feet, and the decorations will be unique and rich, while the windows will be filled with stained glass. On the Clinton street side will be the offices for the president cashier and trustees, with a private entrance. A mezzanine floor in the rear will contain rooms for the clerks and other employes, and for the storage of the records of the bank. An immense fire and burglar-proof

vault will be in the rear of the building, and will be of the latest and most approved pattern. The building will be devoted to the uses of the bank alone. The officers of the bank are: President, Henry P. Morgan; vice-presidents, Edward D. White and Henry K. Sheldon; cashier, Felix E. Flandreau; controller, Charles C. Putnam; trustees, H. P. Morgan, E. D. White, A. B. Baylis, Bryan H. Smith, Alexander Forman, Edward H. Litchfield, Frank Lyman, Edwin F. Knowlton, Henry E. Pierrepont, Elias Lewis, Jr., Lyman R. Greene, William G. Low, R. L. Edwards, Edward H. Kidder, Franklin E. Taylor, Crowell Hadden, Edward Goodwin, David G. Leggett, Willis L. Ogden, John F. Halstead, William A. Read, Courtlandt P. Dixon, Daniel F. Lewis, W. V. R. Smith, and William D. Banker.

BROOKLYN.—The Union Bank of Brooklyn is to be the name of the new institution on Prospect Slope. The stock has been subscribed for twice over, and a meeting to organize and elect officers will be held in the Hamilton Trust Company's rooms, in the Real Exchange building on Montague street. The capital stock of the new bank is to be \$100,000, with paid-in surplus of \$50,000. A five-year lease has been secured on the building on the northeast corner of Fifth avenue and Union street, which will be remodeled for bank purposes. The presidency of the bank has been tendered to the Hon. S. M. Griswold, and he has signified his intention of accepting. Mr. Griswold has had considerable experience in financial matters and has been a very prominent business man. It is believed that under his direction, aided by an excellent board of directors, the new bank will be more than ordinarily successful.

WESTERN STATES.

LANSING, MICH.—The fourth annual report of Honorable Theodore C. Sherwood, Commissioner of the State Banking Department, has been filed with the Governor. During the four years this department has been in existence sixty-nine banks have been incorporated. These with the eighty banks then in existence, make 149 banks which have incorporated under the present law. December 8, 1892, the assets of the 138 banks and three trust companies amounted to \$82,649,553.48, a gain of \$43,686,116.29 in less than four years. During the past year the commissioner authorized the incorporation of twenty-one banks with a total capital of \$1,296,000. Commissioner Sherwood is convinced that the law should be amended so as to give the commissioner authority to take immediate possession of a bank, whenever, in his judgment the exigencies of the case demand such action, and hold the same against all levies and attachments, until a court of competent jurisdiction can be applied to for the appointment of a receiver.

DETROIT, MICH.—The committee of the State Bankers' Association, to whom was referred the matter of securing legislative action looking to the abolishing of the days of grace on commercial paper and converting every Saturday afternoon into a legal holiday for banks, have notified banking institutions that the necessary bills have been prepared. The committee comprises M. W. O'Brien, George H. Russel and F. W. Hayes, all of Detroit. The bills provide that bank paper shall be due on the day specified by the date, instead of three days afterwards, as now. If it is desired to retain this privilege, it can only be done by drawing the paper three days after sight. The bill establishing the Saturday half-holiday provides that where a bank for any reason finds it necessary to transact business on that afternoon, it can be done through a vote of its directors. Commercial paper which falls due on Sundays and legal holidays is invariably payable on the next secular, or business day. Saturdays, up to noon, form an entire banking business day. Paper falling due on that day must be paid by noon, but may be demanded for protest and notice of dishonor given the next business day. Banks incur no liability in not making collections on paper which is submitted to them for that purpose on Saturday. Banking sentiment is uniformly in favor of these bills, and they are almost certain to become laws.

WAUPACA, WIS.—The National Bank of Waupaca, in the two years of its operation as such, has paid dividends to the amount of 20 per cent., and passed 22 per cent. to its surplus fund. The capital is \$50,000.

SOUTHERN STATES.

AUSTIN, TEX.—The constitutional amendment proposed by Representative Curry relative to State banks, provides for banks of issue with these conditions : First. That notes so issued shall be redeemable in specie at their full face value when presented to such banks for redemption. Second. That no issue of such notes shall exceed \$2 for each dollar in specie held by such banks for redemption purposes. Third. That at least one half of the capital stock of such bank shall consist of the county or State school funds, of the common schools of Texas or State University endowment funds. Fourth. That the interest charged for the use of such circulating notes shall in no case exceed 5 per cent. per annum.

Sterling exchange has ranged during February at from 4.87 @ 4.88 $\frac{3}{4}$ for sight, and 4.85 $\frac{1}{2}$ @ 4.87 for 60 days. Paris—Francs, 5.16 $\frac{1}{4}$ @ 5.14 $\frac{3}{4}$ for sight, and 5.18 $\frac{1}{2}$ @ 5.16 $\frac{3}{8}$ for 60 days. The closing rates for the month were as follows : Bankers' sterling, 60 days, 4.85 $\frac{1}{2}$ @ 4.85 $\frac{3}{4}$; bankers' sterling, sight, 4.87 $\frac{1}{2}$ @ 4.87 $\frac{3}{4}$; cable transfers, 4.87 $\frac{1}{4}$ @ 4.88. Paris—Bankers', 60 days, 5.18 $\frac{1}{2}$ @ 5.17 $\frac{1}{2}$; sight, 5.16 $\frac{1}{4}$ @ 5.15 $\frac{3}{8}$. Antwerp—Commercial, 60 days, 5.20 @ 5.19 $\frac{3}{8}$. Reichmarks (4)—bankers', 60 days, 95 $\frac{1}{2}$ @ 95 $\frac{1}{4}$; sight, 95 $\frac{3}{8}$ @ 95 $\frac{1}{2}$. Guilders—bankers', 60 days, 40 3-16 @ 40 $\frac{1}{4}$; sight, 40 $\frac{3}{8}$ @ 40 7-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows :

QUOTATIONS :	Feb. 6.	Feb. 13.	Feb. 20.	Feb. 27.
Discounts.....	4 $\frac{3}{4}$ @ 5 $\frac{1}{2}$..	4 @ 4 $\frac{1}{2}$..	4 $\frac{1}{2}$..	6 @ 6 $\frac{1}{2}$..
Call Loans.....	2 @ 1 $\frac{1}{2}$..	4 @ 3 ..	12 @ 4 ..	6 $\frac{1}{2}$ @ 3 ..
Treas. balances, coin.....	\$75,088,256 ..	\$76,191,399 ..	\$72,800,727 ..	\$74,630,799 ..
Do. do currency....	15,320,284 ..	18,392,323 ..	23,439,555 ..	24,414,232 ..

The reports of the New York Clearing-house returns compare as follows :

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Feb. 4.	\$464,910,200 ..	\$83,261,800 ..	\$59,161,100 ..	\$495,475,600 ..	\$5,526,300 ..	\$18,654,000
" 11.	464,284,100 ..	79,944,000 ..	60,833,500 ..	491,747,700 ..	5,575,200 ..	17,240,575
" 18.	462,518,600 ..	75,700,300 ..	58,808,900 ..	483,613,200 ..	5,518,500 ..	13,605,900
" 25.	458,570,900 ..	72,959,000 ..	54,602,800 ..	472,708,100 ..	5,572,200 ..	9,384,775

The Boston bank statement is as follows :

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Feb. 4.	162,415,000 ..	10,647,900 ..	5,847,200 ..	151,293,800 ..	5,214,600
" 11.	162,309,500 ..	10,186,900 ..	5,529,300 ..	148,492,200 ..	5,258,500
" 18.	161,732,900 ..	10,163,800 ..	5,457,000 ..	147,927,000 ..	5,416,000
" 25.	160,893,700 ..	10,132,300 ..	5,176,900 ..	142,756,100 ..	5,515,900

The Clearing-house exhibit of the Philadelphia banks is as annexed :

1893.	Loans.	Reserves.	Deposits.	Circulation.
Feb. 4.	\$103,821,000 ..	\$27,830,000 ..	\$103,644,000 ..	\$3,593,000
" 11.	103,777,000 ..	26,654,000 ..	101,425,000 ..	3,605,000
" 18.	103,603,000 ..	27,030,000 ..	101,598,000 ..	3,594,000
" 25.	102,183,000 ..	29,437,000 ..	103,094,000 ..	3,598,000

NEW BANKS. BANKERS. AND SAVINGS BANKS.

(Monthly List, continued from February No., page 635.)

State.	Place and Capital.	Bank or Banker	Cashier and N. Y. Correspondent.
ARIZ....	Prescott.....	Prescott National Bank.....	.....
	\$100,000	Frank M. Murphy, <i>P.</i>	R. C. Woodruff, <i>Cas.</i>
COL....	Cripple Creek..	First National Bank.....	.....
	\$50,000	James M. Parker, <i>P.</i>	Jas. L. Lindsay, <i>Cas.</i>
GA.....	Buford.....	Bank of Buford.....	National Park Bank.
	\$18,000	Wm. S. Witham, <i>P.</i>	John F. Espy, <i>Cas.</i>
		Thos. A. Maynard, <i>V. P.</i>	.....
	• ..Macon.....	Merchants Bank.....	Chemical Nat. Bank.
		(W. T. Johnston.)	.....
IND	Muncie.....	Merchants National Bank..	Chase National Bank.
	\$100,000	Hardin Roads, <i>P.</i>	Frank A. Brown, <i>Cas.</i>
		Samuel Martin, <i>V. P.</i>	Geo. W. Wood, <i>Ass't.</i>
ILL....	Mattoon.....	Mattoon State Savings B'k..	.....
	\$50,000	James H. Clark, <i>P.</i>	J. A. Montague, <i>Cas.</i>
		C. B. Ensign, <i>V. P.</i>	.....
	• ..Mt. Carmel....	Wabash Savings Bank.....	.....
	\$25,000	Samuel R. Putnam, <i>P.</i>	Wm. H. Hughes, <i>Cas.</i>
		L. Risley, <i>V. P.</i>	.....
IOWA...	Des Moines....	German Savings Bank.....	American Exchange Nat. B'k.
		Francis Geneser, <i>F.</i>	Joseph W. Geneser, <i>Cas.</i>
		J. D. Whisenand, <i>V. P.</i>	.....
	• ..Humeston.....	Humeston State Bank.....	.....
	\$25,000	Benjamin King, <i>P.</i>	Ellsworth E. Dent, <i>Cas.</i>
		S. H. Moore, <i>V. P.</i>	.....
	• ..Lake View.....	Lake View State Bank....	.....
	\$25,000	Phil. Schaller, <i>P.</i>	F. S. Needham, <i>Cas.</i>
		J. P. Therkelsen, <i>V. P.</i>	J. H. McCord, <i>Ass't.</i>
	• ..Pocahontas....	Pocahontas Savings Bank..	Merchants Exchange Nat. Bank.
	\$10,000	A. O. Garlock, <i>P.</i>	C. H. Tollefsrude, <i>Cas.</i>
		W. D. McEwen, <i>V. P.</i>	.....
	• ..Rolfe.....	State Savings Bank.....	.....
	\$30,000	W. D. McEwen, <i>P.</i>	C. A. Grant, <i>Cas.</i>
		A. O. Garlock, <i>V. P.</i>	.....
	• ..Waterloo.....	Waterloo State Bank.....	Ninth National Bank.
	\$50,000	C. F. Couch, <i>P.</i>	J. D. Easton, <i>Cas.</i>
		Richard Holmes, <i>V. P.</i>	.....
KAN....	Newton.....	Midland National Bank....	.....
	\$50,000	Grant Hornaday, <i>P.</i>	Don Kinney, <i>Cas.</i>
	• ..Selden.....	Selden State Bank.....	.....
	\$4,320	Theo. D. Kennedy, <i>F.</i>	Selden G. Hopkins, <i>Cas.</i>
		Philip J. Kennedy, <i>V. P.</i>	.....
LA.....	Jeanerette.....	Bank of Jeanerette.....	U. S. National Bank.
	\$15,000	A. L. Monnot, <i>P.</i>	.....
		Jos. A. Provost, <i>V. P.</i>	.....
ME....	York Village...	York Co. National Bank....	.....
	\$60,000	James T. Davidson, <i>P.</i>	Albert M. Bragdon, <i>Cas.</i>
		Wilson M. Walker, <i>V. P.</i>	.....
MD....	Crisfield.....	Bank of Crisfield.....	.....
	\$25,000	Clarence H. Hodson, <i>P.</i>	John Sterling, <i>Cas.</i>
		John P. Tawes, <i>V. P.</i>	L. E. P. Dennis, <i>V. P.</i>
	• ..Salisbury.....	Farmers & Merch. Sav. B'k	.....
	\$25,000	William H. Stevens, <i>P.</i>	Samuel A. Graham, <i>Cas.</i>
		Robert D. Grier, <i>V. P.</i>	.....
MICH...	Grand Ledge...	State Savings Bank.....	Chase National Bank.
	\$25,000	Willard Babcock, <i>P.</i>	Fay Du Puy, <i>Cas.</i>
		F. O. Lord, <i>V. P.</i>	.....
	• ..Pontiac.....	First Commercial Bank....	.....
	\$100,000	John D. Norton, <i>P.</i>	Benj. S. Tregent, <i>Cas.</i>
MINN...	Good Thunder..	State Bank.....	Bank of America.
	\$25,000	Wm. H. McGrew, <i>P.</i>	Asa C. Wilmot, <i>Cas.</i>
		Dennis F. McCarthy, <i>V. P.</i>	.....

<i>State.</i>	<i>Place and Capital</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MINN...	St. James.....	First National Bank.....	Chase National Bank.
	\$50,000	Thomas Veltum, <i>P.</i>	Frank O'Meara, <i>Cas.</i>
		C. Ellsworth, <i>V. P.</i>	
MONT ..	Philipsburg	Merch. & Miners Nat. B'k....	National Bank Republic.
	\$50,000	A. A. McDonald, <i>P.</i>	C. H. Eshbaugh, <i>Cas.</i>
		Wm. Weinstein, <i>V. P.</i>	Chas. E. Hymer, <i>Ass't.</i>
N. Y...	Brooklyn.....	Union Bank.....	Third National Bank.
	\$100,000	Stephen M. Griswold, <i>P.</i>	James T. Ashley, <i>Cas.</i>
		John McCarty, <i>V. P.</i>	John Pullman, <i>V. P.</i>
	.. Buffalo	Hydraulic Bank.....	Nat. Bank of North America.
	\$100,000	Wm. W. Sloan, <i>P.</i>	J. B. Spencer, <i>Cas.</i>
		Bernard F. Gentsch, <i>V. P.</i>	
	.. Newburgh.....	Columbus Trust Co.....	Chase National Bank.
	\$100,000	Benj. B. Odell, <i>P.</i>	Geo. W. Stoddard, <i>Sec. & Tr.</i>
		Joseph Van Cleff, <i>V. P.</i>	
OHIO...	Cadiz.....	Fourth National Bank.....	National Bank Republic.
	\$120,000	T. Elwood Johnson, <i>P.</i>	J. Moore Schreiber, <i>Cas.</i>
		Sam'l Thompson, <i>V. P.</i>	
	.. Medina.....	Old Phoenix Nat. Bank....	Chase National Bank.
	\$75,000	R. M. McDowell, <i>P.</i>	B. Hendrickson, <i>Cas.</i>
PA.....	Beaver Falls..	Farmers National Bank....	Hanover National Bank.
	\$100,000	Frank F. Brierly, <i>P.</i>	Geo. W. Morrison, <i>Cas.</i>
		T. P. Simpson, <i>V. P.</i>	
	.. Belle Vernon...	First National Bank.....	.....
	\$50,000	W. J. Manown, <i>P.</i>	Jos. A. Cook, <i>Cas.</i>
	.. Connellsville...	Yough National Bank....	United States National Bank.
	\$75,000	Joseph Soisson, <i>P.</i>	J. C. Kurtz, <i>Cas.</i>
		H. F. Boyts, <i>V. P.</i>	Lin. G. Ruth, <i>Ass't.</i>
	.. Harrisburg.....	Harrisburg Trust Co.....	.....
	\$40,000	Edward Bailey, <i>P.</i>	Wm. L. Gorgas, <i>Tr.</i>
	.. McKeesport....	Citizens National Bank....	.....
	\$50,000	Samuel W. Shaw, <i>P.</i>	Barnard Voik, <i>Cas.</i>
		George B. Warren, <i>V. P.</i>	Clark Warne, <i>Ass't.</i>
	.. Mt. Pleasant....	Citizens National Bank....	.....
	\$50,000	James S. Hitchman, <i>P.</i>	J. G. Shope, <i>Cas.</i>
S. C...	Charleston.....	Columbian B'k'g & Tr. Co.	United States National Bank.
	\$6,250	Henry Haesloop, <i>P.</i>	Henry I. Greer, <i>Cas.</i>
		Jacob Knobloch, <i>V. P.</i>	
TENN ..	Columbia.....	Maury National Bank.....	National Park Bank.
	\$60,000	Geo. T. Hughes, <i>P.</i>	C. A. Parker, <i>Cas.</i>
		Robert A. Church, <i>V. P.</i>	
	.. Sherman H'ghts	Bank of Carolina.....	Chatham National Bank.
	\$18,000	William Cooke, <i>P.</i>	Chas. C. Righter, <i>Cas.</i>
TEXAS..	Arlington.....	Citizens Bank.....	United States National Bank.
		A. J. Rogers, <i>P.</i>	R. F. Davis, <i>Cas.</i>
		Frank McKnight, <i>V. P.</i>	
	.. Atlanta.....	Citizens Bank.....	.....
	\$50,000	H. A. O'Neal, <i>P.</i>	J. W. Campbell, <i>Cas.</i>
		A. B. Hinkle, <i>V. P.</i>	W. A. Howe, <i>Ass't.</i>
	.. Beeville.....	Commercial National Bank.	.....
	\$50,000	Luther B. Creath, <i>P.</i>	D. C. Stone, <i>Cas.</i>
	.. Fort Worth....	American National Bank....	.....
	\$150,000	C. J. Shapard, <i>P.</i>	Luther I. Boaz, <i>Cas.</i>
	.. Pittsburg	First National Bank.....	.....
	\$50,000	W. B. Womack, <i>P.</i>	W. C. Hargrove, <i>Cas.</i>
WASH..	Uniontown	First State Bank.....	.....
	\$30,000	R. M. Mudgett, <i>P.</i>	Smith Hilliard, <i>Cas.</i>
		M. Gross, <i>V. P.</i>	A. M. Bibens, <i>Ass't.</i>
W. VA..	Sisterville.....	Tyler County Bank.....	Seaboard National Bank.
	\$6,250	Edwin A. Durham, <i>P.</i>	Alvin C. Jackson, <i>Cas.</i>

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from February No., page 635.)

Bank and Place.	Elected.	In place of.
N. Y. CITY. Hide & Leather Nat. B'k.....	Geo. H. Richards, <i>Asst.</i>.....	.....
" .. Liberty National Bank.....	H. W. Maxwell, <i>V. P.</i>	Henry Graves.
" .. Market & Fulton Nat. B'k.....	A. Gilbert, <i>V. P.</i>	H. Lyles, Jr.
" .. National Bank of Deposit.....	H. J. Hanford, <i>Cas.</i>	Henry L. Gilbert.
ALA.... First National Bank,	Henry L. Gilbert, <i>Asst.</i>.....	.....
Bridgeport.	E. L. Lee, <i>P.</i>	E. J. Nellis.
CAL.... Wells Fargo & Co.'s Bank,	R. C. Gunter, <i>V. P.</i>	E. L. Lee.
San Francisco.	F. L. Lipman, <i>Asst.</i>	J. L. Browne.
" .. Santa Barbara Co. N. B.,	C. A. Edwards, <i>Asst.</i>.....	.....
Santa Barbara.	L. W. Juilliard, <i>V. P.</i>	D. N. Caruthers.
" .. Santa Rosa Nat. Bank,	.....	.....
Santa Rosa.	Irving Howbert, <i>V. P.</i>.....	.....
COL.... First National Bank,	.....	.....
Colorado Springs.	F. K. Atkins, <i>P.</i>	Chas. West.
" .. Colorado Sav. B'k, Denver.....	L. L. Bailey, <i>P.</i>	Geo. Arthur Rice.
" .. First Nat. B'k, Ouray.	J. E. McClure, <i>V. P.</i>.....	.....
" ..	A. G. Siddons, <i>Cas.</i>	L. L. Bailey.
" ..	E. B. Knox, <i>Asst.</i>	A. G. Siddons.
CONN.... Ansonia Nat. B'k, Ansonia.....	Thos. Wallace, <i>V. P.</i>	Chas. E. Bristol.*
" .. Connecticut National Bank,	W. R. Higby, <i>V. P.</i>.....	.....
Bridgeport.	H. S. Shelton, <i>Cas.</i>	Henry B. Drew.
" .. Danbury Nat. B'k, Danbury.	George H. Williams, <i>Asst.</i>.....	.....
" .. Merchants Nat. Bank,	S. Fred Strong, <i>Asst.</i>.....	.....
New Haven.	.....	.....
" .. Nat. B'k of Commerce,	Geo. B. Prest, <i>Cas.</i>	Chas. W. Barns.
New London.	Alex. Cameron, <i>P.</i>	W. F. Smith.
DAK. S. Citizens Nat. B'k,	C. W. Wood, <i>V. P.</i>	M. W. Daly.
Madison.	C. J. Bell, <i>P.</i>	A. I. Britton.
D. C.... American Security & Trust Co.	J. W. Whelpley, <i>Tr.</i>	Percy B. Metzger.
Washington.	L. M. Saunders, <i>V. P.</i>	John O. Johnson.
" .. Ohio Nat. Bank, Washington.	J. N. C. Stockton, <i>V. P.</i>.....	.....
FLA.... Nat. State Bank of Florida,	Thos. P. Denham, <i>Cas.</i>	J. N. C. Stockton.
Jacksonville.	J. B. Parramore, <i>P.</i>	E. P. Hyer.
" .. First Nat. B'k, Orlando.....	E. D. Walter, <i>Asst.</i>	C. F. Way.
GA.... First Nat. B'k, Brunswick.....	J. H. Smith, <i>Cas.</i>	Roswell H. Drake.
" .. Savings Bank of Griffin.....	J. M. Johnston, <i>P.</i>	Wm. H. Burden.
" .. American Nat. B'k, Macon.....	H. T. Powell, <i>P.</i>	J. M. Boardman.
" .. Macon Savings Bank,	J. W. Cannon, <i>Cas.</i>	H. T. Powell.
Macon.	Chas. C. Parrott, <i>P.</i>	Wm. B. Berry.
" .. First Nat. B'k, Newnan.....	Allen C. Fuller, <i>P.</i>	Ezra May.
ILL.... Second Nat. B'k, Belvidere.....	F. M. Blount, <i>Cas.</i>	Wm. Cox.
" .. Chicago National Bank,	T. M. Jackson, <i>Asst.</i>	F. M. Blount.
Chicago.	Frank E. Brown, <i>ad Asst.</i>.....	.....
" .. First Nat. B'k, Chicago.....	B. M. Hair, <i>P.</i>	A. L. Chetlain.
" .. Industrial B'k, Chicago.....	J. C. Mitchell, <i>Cas.</i>	J. M. Burkhardt.
" .. First Nat. B'k, Marion.....	J. P. Robertson, <i>Asst.</i>.....	.....
" .. Farmers Nat. B'k, Virginia.....	Arthur E. Harlan, <i>V. P.</i>.....	.....
IND.... Alexandria Nat. B'k,	Samuel G. Phillips, <i>Asst.</i>.....	.....
Alexandria.	John Uhl, <i>V. P.</i>	Jos. E. Huston.
" .. First Nat. B'k, Connorsville.....	C. F. McIntyre, <i>Asst.</i>.....	.....
" .. First Nat. B'k, Crawfordsville.....	C. B. Brodick, <i>V. P.</i>.....	.....
" .. Indiana Nat. B'k, Elkhart.....	Jas. H. DeHority, <i>P.</i>	John R. Page.
" .. First National Bank,	John R. Page, <i>V. P.</i>	Jas. H. DeHority.
Elwood.	F. J. Reitz, <i>P.</i>	Charles Viele.
" .. First Nat. B'k, Evansville.....	Jas. H. Cutler, <i>V. P.</i>	F. J. Reitz.
" ..	H. L. Cook, <i>Cas.</i>	Jas. H. Cutler.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
IND....	First Nat. B'k, Knightstown.	C. D. Morgan, <i>P.</i>	C. D. Morgan.
		W. F. Hill, <i>Cas.</i>	W. F. Hill.
		N. W. Wagoner, <i>Asst.</i>	W. F. Hill.
IOWA..	First National Bank, Brooklyn.	W. T. Holmes, <i>P.</i>	Thos. J. Holmes.
	Marquardt Savings Bank, Des Moines.	Thos. J. Holmes, <i>V. P.</i>	W. T. Holmes.
		G. D. Ellyson, <i>Cas.</i>	H. S. Marquardt.*
	State Sav. B'k, Des Moines.	R. O. Green, <i>Cas.</i>	J. W. Geneser.
	Farmers Nat. B'k, Malvern.	A. H. Dolph, <i>V. P.</i>	
	Iowa Sav. B'k, Sioux City.	F. B. Hutchens, <i>Cas.</i>	L. Wynn.
	First Nat. B'k, Spencer.	Ackley Hubbard, <i>P.</i>	A. W. Miller.*
	First Nat. B'k, Tabor.	W. H. Wadhams, <i>V. P.</i>	G. D. Gregory.
KAN....	Abilene Nat. B'k, Abilene.	R. M. White, <i>Cas.</i>	A. K. Perry.
	First National Bank, Herington.	J. L. Thompson, <i>P.</i>	John Hall.
		R. W. Vance, <i>V. P.</i>	J. L. Thompson.
	Miami Co. Nat. B'k, Paola.	F. T. Sponoble, <i>Asst.</i>	
	National Bank of Pittsburg, Pittsburg.	Josiah Lanyon, <i>V. P.</i>	James Patmor.
		James Patmor, <i>Cas.</i>	
	First Nat. B'k, Smith Centre.	J. H. Hill, <i>Asst.</i>	
		L. S. Naftzger, <i>P.</i>	E. R. Powell.
	Fourth National B'k, Wichita.	J. T. Campbell, <i>V. P.</i>	Geo. W. Larimer.
		J. N. Richardson, <i>Asst.</i>	
KY....	Louisville City Nat. Bank, Louisville.	Jas. A. Leech, <i>V. P.</i>	
	First Nat. B'k, Pineville.	Geo. H. Reese, <i>Asst.</i>	
LA....	First Nat. B'k, Lake Charles.	J. A. Simpson, <i>Asst.</i>	Louis P. Pavia.
	Merchants & Farmers B'k, Shreveport.	Leon M. Carter, <i>P.</i>	Thos. B. Chase.
ME....	Boothbay Savings Bank, Boothbay.	R. G. Hodgdon, <i>P.</i>	M. R. White.*
		A. R. Nickerson, <i>V. P.</i>	
	Bucksport Nat. B'k, Bucksport.	John N. Swazey, <i>Asst.</i>	
	Peoples Nat. B'k, Waterville.	J. F. Percival, <i>Cas.</i>	Homer Percival.
MD....	Hagerstown B'k, Hagerstown.	Alexander Neill, <i>P.</i>	M. S. Barber.*
	Second National Bank, Hagerstown.	Jacob J. Funk, <i>P.</i>	Henry H. Keedy.
		T. B. South, <i>V. P.</i>	J. L. Nicodemus.
MASS..	Everett Nat. B'k, Boston.	B. B. Converse, <i>P.</i>	Warren Sawyer.
	Howard National Bank, Boston.	S. F. Wilkins, <i>P.</i>	R. E. Demmon.
		Sam'l B. Capen, <i>V. P.</i>	S. F. Wilkins.
	Metacomet National Bank, Fall River.	Frank S. Stevens, <i>P.</i>	Walter C. Durfee.
		Thos. J. Borden, <i>V. P.</i>	F. S. Stevens.
	Falmouth Nat. B'k, Falmouth.	Wm. F. Jones, <i>V. P.</i>	
	First Nat. B'k, Haverhill.	C. P. Noyes, <i>Cas.</i>	E. G. Wood.
	Haverhill S. D. & Trust Co., Haverhill.	O. E. Little, <i>Tr.</i>	Wm. H. Johnson.
	Merchants Nat. Bank, Haverhill.	D. F. Kennedy, <i>V. P.</i>	
	Haydenville Savings Bank, Haydenville.	W. M. Purrington, <i>Tr.</i>	B. S. Johnson.*
	Hingham Nat. B'k, Hingham.	Jos. Jacobs, <i>P.</i>	Jos. Jacobs, Jr.
	Holliston Nat. Bank, Holliston.	Henry E. Bullard, <i>P.</i>	
	Leominster Sav. B'k, Leominster.	Joseph G. Tenney, <i>P.</i>	Chas. L. Joslin.
	Pacific Nat. B'k, Nantucket.	Henry Paddock, <i>V. P.</i>	
	Newton Nat. B'k, Newton.	J. W. Bacon, <i>Asst.</i>	
	First Nat. B'k, Salem.	Gilbert L. Streeter, <i>Cas.</i>	Edward H. Payson.
MICH..	Coldwater National Bank, Coldwater.	L. M. Wing, <i>P.</i>	D. B. Dennis.
		D. B. Dennis, <i>V. P.</i>	L. M. Wing.
		H. R. Saunders, <i>Asst.</i>	
	First National Bank, Detroit.	L. E. Clark, <i>V. P.</i>	
		John T. Shaw, <i>Cas.</i>	L. E. Clark.
	Preston National Bank, Detroit.	F. W. Hayes, <i>P.</i>	Thos. W. Palmer.
		A. E. F. White, <i>V. P.</i>	F. W. Hayes.
	First Nat. Bank, Ionia.	Vernon H. Smith, <i>V. P.</i>	L. S. Lovell.
	First Nat. Bank, Ithaca.	R. E. Chafey, <i>Asst.</i>	C. A. Price.
	Plymouth Sav. B'k, Plymouth.	E. K. Bennett, <i>Cas.</i>	L. C. Sherwood.
	Home National Bank, Saginaw.	J. H. Booth, <i>V. P.</i>	
		A. H. Comstock, <i>Cas.</i>	J. H. Booth.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MINN.	First National Bank, Moorhead.	Lew A. Huntoon, <i>Cas.</i>	Edwin Adams.
"	Bank of Windom.	Fred A. Irish, <i>Asst.</i>	
MISS.	Citizens State B'k, Jackson.	John Hutton, <i>P.</i>	E. Sevaton.
"	First Nat. B'k, Vicksburg.	E. M. Parker, <i>Cas.</i>	B. W. Griffith.
"	First Nat. B'k, Vicksburg.	B. W. Griffith, <i>P.</i>	J. P. Roach.
MO.	First Nat. B'k, Independence.	T. N. Smith, <i>Asst.</i>	
"	Metropolitan Nat. Bank, Kansas City.	J. G. Streat, <i>Cas.</i>	R. Callaway.
"	Exchange B'k, Springfield.	E. T. Robberson, <i>P.</i>	L. H. Murray.
"	St. Louis National Bank, St. Louis.	A. K. Root, <i>V. P.</i>	H. M. Noel.
"	St. Louis.	H. B. Alexander, <i>Asst.</i>	
NEB.	First Nat. B'k, Lincoln.	H. S. Freeman, <i>Asst.</i>	R. D. Miller.
"	United States Nat. Bank, Omaha.	V. B. Caldwell, <i>V. P.</i>	
"	First Nat. B'k, Pierce.	M. A. Scofield, <i>Asst.</i>	
"	First Nat. B'k, Superior.	H. N. Bradshaw, <i>V. P.</i>	L. B. Adams.
"	First Nat. Bank, Sutton.	F. N. Rowley, <i>V. P.</i>	Geo. A. Tenney.
N. H.	Lake National Bank, Wolfsborough.	W. S. Jewett, <i>P.</i>	
"	Lake National Bank, Wolfsborough.	L. W. Goodwin, <i>Cas.</i>	Chas. F. Parker.
N. J.	Boonton Nat. B'k, Boonton.	John H. Capstick, <i>P.</i>	Geo. W. Jenkins.
"	Cumberland National Bank, Bridgeton.	R. M. Seeley, <i>Asst.</i>	
N. Mex.	First National Bank, Raton.	A. M. Blackwell, <i>P.</i>	Wm. M. Eads.
"	First National Bank, Raton.	W. M. Tomlin, <i>Asst.</i>	
N. Y.	Farmers Nat. B'k, Amsterdam.	F. S. Van Derveer, <i>Cas.</i>	Wm. J. Taylor.
"	City National Bank, Binghamton.	Harris G. Rodgers, <i>P.</i>	Wm. R. Osburn.
"	Canajoharie Nat. Bank, Canajoharie.	C. F. Sisson, <i>V. P.</i>	H. G. Rodgers.
"	Canajoharie Nat. Bank, Canajoharie.	A. G. Richmond, <i>P.</i>	C. G. Barnes.
"	Canaseraga Banking Co., Canaseraga.	N. S. Brumley, <i>Cas.</i>	A. G. Richmond.
"	Canaseraga Banking Co., Canaseraga.	H. E. Gampp, <i>Cas.</i>	Craig A. Ross.
"	Catskill Sav. B'k, Catskill.	Jeremiah Day, <i>Sec.</i>	Edgar Russell.
"	National Bank of Cohoes.	John L. Newman, <i>V. P.</i>	
"	Cuba Nat. Bank, Cuba.	C. A. Ackerly, <i>Asst.</i>	
"	Merchants Nat. B'k, Dunkirk.	C. D. Murray, <i>Cas.</i>	S. M. Clement.
"	Far Rockaway Bank, Far Rockaway.	S. R. Smith, <i>P.</i>	P. N. Davenport.
"	Far Rockaway Bank, Far Rockaway.	V. W. Smith, <i>Cas.</i>	S. R. Smith.
"	Queens Co. Sav. B'k, Flushing.	George Pople, <i>P.</i>	H. Clement.
"	Fredonia Nat. B'k, Fredonia.	H. G. Allen, <i>Asst.</i>	
"	Jamaica Savings Bank, Jamaica.	John H. Brinckerhoff, <i>Tr.</i>	Lewis L. Fosdick.
"	Jamaica Savings Bank, Jamaica.	Wm. A. Warnock, <i>Sec.</i>	Lewis L. Fosdick.
"	City National Bank, Jamestown.	Willis Tew, <i>P.</i>	Geo. W. Tew.
"	City National Bank, Jamestown.	M. L. Fenton, <i>V. P.</i>	Willis Tew.
"	Union Bank, Medina.	Geo. A. Newell, <i>P.</i>	E. L. Pitts.
"	Union Bank, Medina.	Harry F. Welton, <i>Cas.</i>	Geo. A. Newell.
"	First Nat. B'k, Middletown.	Homer J. Luther, <i>Asst.</i>	Harry F. Welton.
"	First Nat. B'k, Middletown.	Harrison F. Crane, <i>V. P.</i>	
"	First National Bank, New Brighton.	H. E. Alexander, <i>P.</i>	James M. Davis.
"	First National Bank, New Brighton.	J. F. Emmons, <i>V. P.</i>	H. E. Alexander.
"	Highland Nat. B'k, Newburgh.	M. G. Muir, <i>Cas.</i>	Arthur Wilson.
"	Westchester Co. Nat. Bank, Peekskill.	G. A. Ferguson, <i>Asst.</i>	
"	Peoples National Bank, Sandy Hill.	Chas. Stone, <i>P.</i>	
"	Peoples National Bank, Sandy Hill.	Hiram Allen, <i>V. P.</i>	Chas. Stone.
"	First Nat. B'k, Saugerties.	Wm. H. Eckert, <i>Cas.</i>	P. M. Gillespy.
"	Nat. B'k of Schuylerville.	C. E. Brisbin, <i>Cas.</i>	Chas. D. Thurber.
"	Union Nat. B'k, Troy.	Alfred Mosher, <i>V. P.</i>	J. M. Corliss.
"	First Nat. B'k, Utica.	Chas. B. Rogers, <i>Asst.</i>	
"	National Bank of Vernon, Vernon.	A. P. Case, <i>P.</i>	W. G. Strong.
"	National Bank of Vernon, Vernon.	G. H. Pratt, <i>Cas.</i>	A. P. Case.
"	First National Bank, Waterloo.	W. L. Mercer, <i>V. P.</i>	
"	First National Bank, Waterloo.	P. M. Kendig, <i>Cas.</i>	W. L. Mercer.
"	Bank of Worcester.	P. G. Wieting, <i>P.</i>	N. H. Wilder.*
N. C.	Fidelity Bank, Durham.	B. N. Duke, <i>P.</i>	Geo. W. Watts.
"	First Nat. B'k, Elizabeth City.	W. T. Old, <i>Cas.</i>	Samuel A. Graham.
"	Bank of Henderson, Henderson.	Owen Davis, <i>P.</i>	W. H. S. Burgwyn.
"	Bank of Henderson, Henderson.	W. A. Hunt, <i>Cas.</i>	A. B. Daingerfield.

* Deceased.

	<i>Bank and Place</i>	<i>Elected</i>	<i>In place of</i>
OHIO...	City Savings Bank,	T. R. Morgan, Sr., <i>P.</i>	C. C. Davidson.
"	.. Alliance.	I. G. Tolerton, <i>V. P.</i>	T. R. Morgan, Sr.
"	.. First National Bank,	Henry O'Brien, <i>P.</i>	A. Norton.
"	.. Athens.	S. N. Hobson, <i>Asst.</i>.....	.....
"	.. Commercial Banking Co.,	Frank M. Young, <i>Cas.</i>	W. H. Smith.
"	.. Bowling Green.	Geo. Guckenberger, <i>V. P.</i>	Henry Meyer.
"	.. Atlas National Bank,	Albert Lackman, 2d <i>V. P.</i>.....	.....
"	.. Cincinnati.	Wm. Guckenberger, <i>Cas.</i>	Geo. Guckenberger.
"	.. Fourth National Bank,	Torrence Huffman, <i>P.</i>	J. B. Thresher.
"	.. Dayton.	J. B. Thresher, <i>V. P.</i>	Torrence Huffman.
"	.. Farmers Nat. B'k, Greenville...	Wm. Kipp, <i>V. P.</i>.....	.....
"	.. Fairfield County Bank,	H. B. Peters, <i>V. P.</i>.....	.....
"	.. Lancaster.	Geo. B. Rising, <i>Cas.</i>	H. B. Peters.
"	.. Morrow County Nat. B'k,	M. Burr Talmage, <i>V. P.</i>.....	.....
"	.. Mt. Gilead.	Malcolm Kelly, <i>P.</i>	Geo. E. St. John.
"	.. German-American Bank,	John A. Moore, <i>V. P.</i>	F. J. King.
"	.. Port Clinton.	W. Scott Bonnell, <i>P.</i>	Henry O. Bonnell.*
"	.. Second Nat. B'k, Toledo.....	F. F. Hurlburt, <i>Asst.</i>.....	.....
"	.. Mahoning Nat. B'k, Youngstown.	J. C. Dement, <i>V. P.</i>	John Hobson.
ORE...	Arlington Nat. B'k, Arlington.	J. E. Higgins, <i>Cas.</i>	H. C. Thompson.
"	.. Astoria Nat. B'k, Astoria.	E. P. McCornack, <i>P.</i>	Napoleon Davis.
"	.. First Nat. B'k, Salem.	William Bray, <i>P.</i>	John Buzzard.
PA...	Merchants Nat. B'k, Hangor.	John Reeves, <i>P.</i>	Henry Hice.
"	.. First Nat. B'k, Beaver Falls.	K. L. Mason, <i>Asst.</i>.....	.....
"	.. Commercial Nat. B'k, Bradford.	C. L. Snowden, <i>P.</i>	Gibson Binns.
"	.. Monongahela Nat. B'k,	J. W. Munnell, <i>Asst.</i>.....	.....
"	.. Brownsville.	Owen F. Fatzinger, <i>V. P.</i>	John Williams.
"	.. First Nat. B'k, Canonsburg.....	W. D. Hartup, <i>P.</i>	John W. Moore.
"	.. Nat. B'k of Catasaqua.....	T. Edward Clyde, <i>Cas.</i>.....	.....
"	.. First Nat. B'k, Charleoi.	J. I. Dunlap, <i>Asst.</i>.....	.....
"	.. First Nat. B'k, Chester.....	Elmer E. Lindermuth, <i>Cas.</i>	Jas. L. Leavy.
"	.. Clearfield Nat. B'k, Clearfield.	Wm. Patton, <i>V. P.</i>	G. W. Holdeman.
"	.. First Nat. B'k, Columbia.....	Rob't J. Boyd, <i>P.</i>	Jas. K. Davidson.
"	.. First Nat. B'k, Greencastle.	P. W. Morgan, <i>Asst.</i>.....	.....
"	.. First National Bank, Irwin.	H. E. Eshelman, <i>Cas.</i>	H. C. Philips.
"	.. Jonestown B'k, Jonestown.	Geo. O. Roland, <i>Asst.</i>.....	.....
"	.. N. Holland Nat. Bank,	Geo. H. Earle, Jr., <i>P.</i>	G. W. Blabon.
"	.. New Holland.	Geo. R. Lessig, <i>P.</i>	D. R. Cofrode.*
"	.. Finance Co. of Penn.,	P. L. Egolf, <i>V. P.</i>	Geo. B. Lessig.
"	.. Philadelphia.	Wm. Thompson, <i>V. P.</i>.....	.....
"	.. Citizens National Bank,	Geo. H. De Frehn, <i>Cas.</i>	Wm. Thompson.
"	.. Pottstown.	F. W. Helm, <i>P.</i>.....	.....
"	.. Miners National Bank,	J. P. Ambler, <i>V. P.</i>	Forest Preston.
"	.. Pottsville.	A. H. Beatty, <i>Cas.</i>	D. O. Brown.
"	.. Quarryville Nat. Bank,	J. M. Robinson, <i>P.</i>	John L. Robinson*
"	.. Quarryville.	L. L. Bailey, <i>Cas.</i>	J. M. Robinson.
"	.. First Nat. B'k, Saltsburg.....	Henry J. Landrus, <i>P.</i>	Hugh Young.
"	.. First National Bank,	John A. Rupert, <i>Cas.</i>	H. M. Philips.
"	.. Wellsboro.	Wm. P. Marshall, <i>V. P.</i>.....	.....
"	.. Wellsboro Nat. Bank,	Elias Deemer, <i>P.</i>	Edgar Munson.
"	.. Wellsboro.	B. C. Kenyon, <i>V. P.</i>.....	.....
"	.. Dime Sav. B'k, West Chester.	E. Owen, <i>V. P.</i>	C. T. Keith.*
"	.. National Bank of Chester Co.	James S. Phetteplace, <i>P.</i>	Thos. J. Hill.
"	.. West Chester.	John B. Baumgarner, <i>Asst.</i>.....	.....
"	.. Williamsport Nat. B'k,	H. C. Merritt, <i>P.</i>	Thos. C. Elliott.
"	.. Williamsport.	M. Savage, <i>V. P.</i>	H. C. Merritt.
R.I....	Nat. Landholders B'k,	.....	.....
"	.. Kingston.	.....	.....
"	.. Fourth Nat. B'k, Providence...	.....	.....
"	.. Lime Rock Nat. Bank,	.....	.....
"	.. Providence.	.....	.....
TENN...	Nat. B'k of Bristol.....	.....	.....
"	.. Farmers & Merchants Nat. B'k,	.....	.....
"	.. Clarksville.	.....	.....

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
TENN.	Bank of Lexington.....	Samuel Howard, <i>P.</i>	Jno. E. McCall.
"	..Lynnville B'k & Trust Co., Lynnville. }	C. R. Horne, <i>Cas.</i>	J. P. Brownlow.
"	..Memphis City B'k, Memphis.....	R. A. Parker, <i>Cas.</i>	Fred Fowler.
"	..Security B'k, Memphis.....	R. A. Parker, <i>Cas.</i>	Fred Fowler.
"	..Mechanics Sav. B'k & Trust Co. Nashville. }	John Schardt, <i>Cas.</i>	Chas. Sykes.
TEXAS.	Abilene Nat. B'k, Abilene.....	Geo. S. Berry, <i>Asst.</i>	
"	..First Nat. B'k, Ballinger.....	J. A. Younger, <i>P.</i>	Wm. S. Davis.
"	..First Nat. B'k, Bonham.....	S. B. Allen, <i>V. P.</i>	M. W. Halsell.*
"	..First National Bank, Childress. }	A. C. Fires, <i>V. P.</i>	
"	..First Nat. B'k, Cisco.....	J. H. P. Jones, <i>Asst.</i>	
"	..Central National B'k, Dallas. }	C. H. Fee, <i>P.</i>	J. H. Holcomb.
"	..Nat B'k Commerce, Dallas.....	D. A. Dyer, <i>V. P.</i>	W. J. Caven.
"	..State Nat. B'k, Dallas.....	John A. Barnard, <i>Cas.</i>	P. G. Claiborne <i>act'g</i>
"	..First National Bank, Dallas. }	P. G. Claiborne, <i>Asst.</i>	
"	..Nat B'k Commerce, Dallas.....	W. C. Carnes, <i>Asst.</i>	
"	..State Nat. B'k, Dallas.....	Lee Newbury, <i>Asst.</i>	
"	..First National Bank, Dublin. }	W. B. Davis, <i>Cas.</i>	C. L. Pendleton.
"	..First National Bank, Goldthwaite. }	James B. Herndon, <i>Asst.</i>	
"	..Beckham Nat. B'k, Graham.....	J. A. Austin, <i>V. P.</i>	Brooke Smith.
"	..First Nat. B'k, Granbury.....	W. H. Trent, <i>Asst.</i>	W. E. Pardue.
"	..Lavaca County Nat. B'k, Hallettsville. }	R. F. Arnold, <i>P.</i>	W. C. Beckham.
"	..Commercial Nat. B'k, Houston.....	John Tandy, <i>Asst.</i>	
"	..First Nat. B'k, Kaufman.....	J. W. Bennett, <i>P.</i>	T. H. James.
"	..First Nat. B'k, Lampasas.....	Geo. L. Price, <i>Asst.</i>	
"	..First Nat. B'k, Meridian.....	Temple S. Pyle, <i>V. P.</i>	T. J. Shannon.
"	..First Nat. B'k, Rockdale.....	E. J. Marshall, <i>P.</i>	L. H. Baggett.
"	..San Angelo Nat. Bank, San Angelo. }	W. T. Campbell, <i>Cas.</i>	E. J. Marshall.
"	..First Nat. B'k, Rockdale.....	H. Marshall, <i>Asst.</i>	
"	..First Nat. B'k, Meridian.....	P. Pierson, <i>V. P.</i>	S. E. Moss.
"	..First Nat. B'k, Rockdale.....	H. E. Rowlett, <i>Asst.</i>	
"	..San Angelo Nat. Bank, San Angelo. }	John Carragher, <i>Asst.</i>	
VT.	Brandon Nat. B'k, Brandon.....	Geo. L. Price, <i>Asst.</i>	
"	..First Nat. B'k, Brandon.....	Temple S. Pyle, <i>V. P.</i>	T. J. Shannon.
"	..S. M. Dorr's Sons, Bristol.....	E. J. Marshall, <i>P.</i>	L. H. Baggett.
"	..First Nat. B'k, Chelsea.....	W. T. Campbell, <i>Cas.</i>	E. J. Marshall.
"	..Springfield Savings Bank, Springfield. }	H. Marshall, <i>Asst.</i>	
"	..First Nat. B'k, Meridian.....	P. Pierson, <i>V. P.</i>	S. E. Moss.
"	..First Nat. B'k, Rockdale.....	H. E. Rowlett, <i>Asst.</i>	
"	..San Angelo Nat. Bank, San Angelo. }	John Carragher, <i>Asst.</i>	
VA.	Merchants B'k, Danville.....	W. W. Ayres, <i>Cas.</i>	Chas. L. Holland.
W. VA.	First National Bank, Ceredo. }	S. Floyd Hoard, <i>P.</i>	Sam'l S. Vinson.
"	..Citizens Nat. B'k, Charleston.....	James Prichard, <i>V. P.</i>	
WASH.	Everett Nat. B'k, Everett.....	M. M. Williamson, <i>Cas.</i>	W. T. McClurg.
"	..Bellingham Bay Nat. Bank, New Whatcom. }	C. D. Fratt, <i>Asst.</i>	
"	..Port Townsend Nat. Bank, Port Townsend. }	Jas. W. Morgan, <i>P.</i>	Hugh Eldridge.
"	..First Nat. B'k, Seattle.....	C. W. Harter, <i>V. P.</i>	Jas. W. Morgan.
"	..First Nat. Bank, South Bend.....	Jas. Seavey, <i>V. P.</i>	Wm. F. Erving.
"	..Washington Nat. Bank, Tacoma. }	Wm. F. Erving, <i>Cas.</i>	L. H. Pontius.
"	..Eau Claire Nat. B'k, Eau Claire.....	G. R. Fisher, <i>Asst.</i>	
"	..First Nat. Bank, Hurley.....	A. M. Elklund, Jr., <i>V. P.</i>	L. N. Elklund.
"	..Milwaukee Nat. B'k, Milwaukee.....	J. C. Weathered, <i>V. P.</i>	L. F. Thompson.
"	..Milwaukee Clearing House, Milwaukee. }	C. V. McClanathan, <i>Asst.</i>	A. F. Albertson.
"	..Union Nat. Bank, Racine.....	H. B. McMaster, <i>Asst.</i>	
"	..First Nat. Bank, Hurley.....	Jas. A. Latta, <i>Cas.</i>	W. A. Burt.*
"	..Milwaukee Nat. B'k, Milwaukee.....	J. McClure, <i>Cas.</i>	T. L. Baker.*
"	..Milwaukee Clearing House, Milwaukee. }	J. McClure, <i>Mgr.</i>	T. L. Baker.*
"	..Union Nat. Bank, Racine.....	Frank K. Rull, <i>P. pro tem.</i>	O. R. Johnson.

* Deceased.

- MICH...Ewart.....First State Bank; capital, \$15,000.
 • ..Flint.....New bank started, with Ira Wilder as President.
- MINN...Duluth.....Savings Investment Co.; capital, \$200,000. Incorporators:
 Benjamin F. Smith, M. J. Davis, Robt. Parker, E. F.
 Thayer, S. E. Maxwell, Chas. L. White, John P. John-
 son and others.
- N. H....Laconia.....Merchants Guaranty Savings Bank started.
- N. Y....Albany.....Albany Safe Deposit and Storage Co. Geo. H. Treadwell,
 President; Henry R. Wright, Cashier.
 • ..Babylon.....D. S. S. Sammis and Albert E. Hawkins are opening a new
 bank at Babylon.
 • ..Brooklyn.....Eighth Ward Bank; capital, \$100,000 Directors: E. W.
 Bliss, J. C. Kelly, J. L. Nostrand, I. T. Bush, J. Van
 Brunt, Felix Campbell, Tunis Bergen.
 • ..Brooklyn.....German-American Bank; capital, \$100,000. Incorporators:
 J. C. Brower, G. Westernacher, Thos. F. Goodrich, P.
 H. Flynn, I. Martin.
 • ..Brooklyn.....Peoples Bank; capital, \$100,000. James Gascoine, President;
 Frank Hyde, 1st Vice-President; Henry Roth, 2d Vice-
 President.
 • ..Brooklyn.....West End Bank opened at the corner of 39th Street and Third
 Avenue.
 • ..Coney Island...Coney Island Bank.
 • ..Marlborough...New bank to be established.
 • ..Matteawan.....New bank started. Theodore Brinckeroff, President; John P.
 Rider, Vice-President.
 • ..Pawlet.....New bank to be started.
 • ..Rochester.....Alliance Bank; capital, \$125,000. Henry C. Brewster, Presi-
 dent; G. W. Thayer, Vice-President; A. O. Fenn,
 Cashier.
- N. C....Tarboro.....New bank chartered.
 • ..Wilmington...Mercantile Banking and Trust Co. incorporated.
- OHIO...Fairfield.....A new bank to be opened soon.
 • ..Lorain.....Citizens Savings Bank; capital, \$100,000.
 • ..Niles.....Dollar and Dime Savings Bank. D. J. Woodford, Cashier.
 • ..Toledo.....German National Bank to be started. Apply, Arthur Klausner.
 • ..West Cleveland.West Cleveland Banking Co.; capital, \$100,000. Incorpora-
 tors: Hon. W. J. White, W. H. Lawrence, Gustav
 Schmidt, V. D. Anderson, Charles E. Terrell, George G.
 Sowden.
- OKLA...Oklahoma.....E. H. Cooke, Colorado; John D. Rogers, Galveston; D. C.
 Giddings, Brenham; E. Eldridge, Brenham, Texas; and
 others, are starting bank at Oklahoma.
- PA.....Altoona.....Altoona Trust Co. H. A. Gardner, President.
 • ..Muncy.....New bank starting.
 • ..Pittsburgh.....Pittsburgh Trust Co.; capital, \$600,000.
 • ..West Chester...New trust company started.
 • ..York.....Security Title and Trust Co. W. F. Bay Stewart, President;
 I. W. Allen, Secretary; C. H. Dempwolf, Treasurer.
- S. C....Charleston.....German-American Trust and Savings Bank; capital, \$40,000.
 J. Fred Lilienthal, President; John N. Hesse, Vice-
 President; A. Bequest, Cashier.
- TEXAS...Pecos.....Pecos Valley Bank.
 • ..Trinity.....New bank to be started.
- VT....Barre.....Barre Savings Bank and Trust Co. I. M. Perry, President;
 D. M. Miles, Vice-President.
 • ..Ludlow.....W. W. Stickney is starting the Ludlow Savings Bank and
 Trust Co.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from February No., page 639.)

No.	Name and Place.	President.	Cashier.	Capital.
4842	Old Phoenix National Bank..... Medina, O.	R. M. McDowell,	B. Hendrickson,	\$75,000
4843	Merchants and Miners Nat. B'k. A. A. McDonald, Phillipsburg, Mont.		C. H. Eshbaugh,	50,000
4844	York Co. National Bank..... York, Me.	James T. Davidson,	Albert M. Bragdon,	60,000
4845	First National Bank..... Cripple Creek, Col.	James M. Parker,	Jas. L. Lindsay,	50,000
4848	American National Bank..... Fort Worth, Tex.	C. J. Shapard,	Luther I. Boaz,	150,000
4849	Maury National Bank..... Columbia, Tenn.	J. W. S. Ridley,	C. A. Parker,	60,000
4850	First National Bank..... Belle Vernon, Pa.	W. J. Manown,	Jos. A. Cook,	50,000
4851	Prescott National Bank..... Prescott, Ariz.	Frank M. Murphy,	Russell C. Woodruff,	100,000
4852	Merchants National Bank..... Muncie, Ind.	Hardin Roads,		100,000
4853	Fourth National Bank..... Cadiz, O.	T. E. Johnson,	J. M. Schreiber,	120,000
4859	First National Bank..... St. James, Minn.	Thomas Veltum,	Frank O'Meara,	50,000
4860	Midland National Bank.... Newton, Kan.	Grant Hornaday,	Don Kinney,	50,000
4861	Yough National Bank..... Connellsville, Pa.	Joseph Soisson,	J. C. Kurtz,	75,000
4863	First National Bank..... Pittsburg, Tex.	W. B. Womack,	W. C. Hargrove,	50,000
4866	Commercial National Bank.... Beeville, Tex.	Luther B. Creath,	D. C. Stone,	50,000
4875	Citizens National Bank..... Mt. Pleasant, Pa.	James S. Hitchman,	J. G. Shope,	50,000

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during February, 1893.

CAL....	San Diego.....	Merchants National Bank, by M. A. Weir and associates.
ILL....	Decatur.....	National Bank of Decatur, by K. H. Roby and associates.
"	Madison.....	First National Bank, by T. B. Rhodes and associates.
IOWA....	Forest City	First National Bank, by B. S. Plummer and associates.
"	Osage.....	Farmers National Bank, by E. S. Fonda and associates.
MD....	Frostburg.....	Citizens National Bank, by John L. Porter and associates.
MICH....	Lansing.....	Michigan National Bank, by Geo. B. Caldwell and associates.
MINN....	St. Paul.....	Metropolitan National Bank, by Thos. Cochran and associates.
MONT....	Lewiston	First National Bank, by Jas. E. Moe and associates.

- N. Y... Hempstead.... First National Bank, by Carroll F. Nortor and associates.
 • .. Morris..... First National Bank, by D. I. Lawrence and associates.
 • .. Niagara Falls... First National Bank, by Henry Donk and associates.
 • .. Poland Peoples National Bank, by W. A. Brayton and associates.
 • .. Port Henry.... Citizens National Bank, by Eugene Wyman and associates.
 • .. Tonawanda.... First National Bank, by Geo. F. Rand and associates.
 OHIO... Girard..... First National Bank, by A. B. Camp, Warren, O., and associates.
 • .. Powhatan Pt... First National Bank, by David M. Sutton, St. Clairsville, O., and associates.
 OKL... Kingfisher..... First National Bank, by J. C. Post and associates.
 • .. Oklahoma City... State National Bank, by Henry Will and associates.
 PA... Mount Pleasant... Farmers and Merchants National Bank, by A. H. Bell, Greensburg, Pa., and associates.
 • .. New Kensington... First National Bank, by J. P. Cappear, Pittsburgh, Pa., and associates.
 • .. Pittsburgh..... Lincoln National Bank, by C. B. McLean and associates.
 • .. Verona First National Bank, by F. W. Hughey and associates.
 • .. Warren..... Warren National Bank, by H. A. Jamison and associates.
 TEXAS... Hillsboro..... Citizens National Bank, by C. A. Sullenberger and associates.
 • .. Winnsboro.... First National Bank, by W. C. Hargrove, Sulphur Springs, Tex., and associates.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from February No., page 639.)

- ARK.... Little Rock..... First National Bank in hands of a receiver.
 GA.... Atlanta Gate City National Bank reported closed.
 • .. Augusta..... Georgia R. R. & Banking Co. succeeded by Georgia Railroad Bank, same officers.
 • .. Macon..... Merchants National Bank has gone into voluntary liquidation, succeeded by Merchants Bank, private.
 ILL.... Chicago..... Wm. C. Williams & Co. reported closed.
 • .. Mount Carmel... Farmers & Merchants Bank succeeded by Wabash Savings Bank, incorporated.
 IND.... Alexandria.... Alexandria Bank (U. C. Vermillion & Co.) succeeded by Alexandria National Bank.
 • .. Corydon..... Harrison Co. Bank discontinued.
 IOWA... Germania..... Bank of Germania, now State Bank, same officers.
 • .. Lake View..... Lake View Bank succeeded by Lake View State Bank, incorporated.
 • .. Pocahontas..... Farmers Bank succeeded by Pocahontas Savings Bank, incorporated.
 • .. Rolfe..... Exchange Bank, succeeded by State Savings B'k, incorporated.
 KAN.... Brewster..... Bank of Brewster closed.
 • .. Garden City... Finney Co. National Bank succeeded by Finney Co. Farmers Bank.
 • .. Kingman..... Citizens Bank closed.
 • .. Santa Fe..... Bank of Santa Fe reported failed.
 • .. Selden..... Farmers Bank succeeded by Selden State Bank, incorporated.
 • .. Yates Center... Woodson National Bank has gone into voluntary liquidation.
 MD.... Baltimore..... H. B. Whiteley & Co. closed.

- MICH...DetroitJ. V. Campbell & Co. succeeded by Cameron, Currie & Co.
 " ..Grand Ledge...Bank of Grand Ledge (De Puy Bros. & Co.) succeeded by State Savings Bank.
- MINN...St. James.....State Bank of St. James succeeded by First National Bank, same officers.
- MISS...Greenville.....L. & N. Wilizinski closed.
- MONT..PhillipsburgMerchants & Miners Bank succeeded by Merchants & Miners National Bank.
- NEB....Clearwater.....Clearwater Bank reported closed.
 " ..Platte Centre...Platte Co. Bank sold out to Farmers & Merchants Bank.
 " ..Wahoo.....State Bank of Wahoo reported suspended.
- OHIO...Lorain.....First National Bank closing, will be succeeded by Citizens Savings Bank Co.
 " ..Medina.....Phoenix National Bank expired by limitation, succeeded by Old Phoenix National Bank.
- ORE....Gervais.....United States Banking Co., with branches at Junction City and Sheridan, suspended payment.
- PA.....Connellsville...Youghiogheny Bank succeeded by Yough National Bank.
 " ..Philadelphia...Laughlin & McManus, receiver appointed.
 " ..Wilkes Barre...F. V. Rockafellow & Co. reported closed.
- TEXAS..Dallas.....Bankers & Merchants National Bank in hands of a receiver.
- VA.....Radford.....Exchange Bank reported closed.
- W. VA..WestonWeston Savings Bank closed.
- WASH..Uniontown.....S. Hilliard & Sons succeeded by First State Bank.
- WIS....Iron River ...Bank of Iron River incorporated, same officers and correspondents.
- ONT....Orono.....W. W. Trull & Co. failed.

DEATHS.

BAKER.—On January 26, aged seventy years, T. L. BAKER, Cashier of Milwaukee National Bank, Milwaukee, Wis.

BARBER.—On January 31, aged seventy-seven years, M. S. BARBER, President of Hagerstown Bank, Hagerstown, Md.

DAVIS.—On February 6, J. A. DAVIS, Proprietor of Bank of Eureka, Ill. .

HART.—On February 18, aged fifty-one years, E. K. HART, President of Orleans County National Bank, Albion, N. Y.

JOHNSON.—On February 14, aged seventy-nine years, B. S. JOHNSON, Treasurer of Haydenville Savings Bank, Haydenville, Mass.

KEARNY.—On February 20, aged seventy-two years, JOSEPH R. KEARNY, Secretary of New York Life Insurance & Trust Co., New York City.

KIRKHAM.—On February 8, aged seventy-two years, JAMES KIRKHAM, President of First National Bank, Springfield, Mass.

MEADOWCROFT.—On February 13, aged seventy-nine years, ROBERT MEADOWCROFT, of the firm of Meadowcroft Bros., Chicago, Ill.

POMEROY.—On February 13, aged seventy-four years, HORACE POMEROY, of the firm of Pomeroy Bros., Troy, Pa.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, FEBRUARY, 1893.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in February.						RAILROAD STOCKS.				MISCELLANEOUS.					
GOVERNMENTS.		Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.	RAILROAD STOCKS.				MISCELLANEOUS.				
		Mar.					Col. Coal & Iron.....	65	72	64	69	Northern Pacific.....	18½	14½	15½
		Jan	100	100	99½	99½	Col. H. Valley & Tol.....	30½	30½	27½	—	Do	49½	36½	40
		Feb.	113½	113½	112	112½	Del. & Hudson.....	137½	137½	124½	128½	Ohio & Mississippi.....	25	25	24½
		Jan.	105	105	105	105	Del. Lack. & W.....	133	133	128½	147½	Ohio Southern.....	44½	46	44
		July	110	110	110	110	Do	133	133	128½	161½	Oregon Imp't.....	41½	41½	41
		Aug.	112½	112½	112	112	Do	133	133	128½	52	Oregon R. & N.....	74	74	74
		Sept.	115	115	114½	114½	East Tenn. V. & G.....	56½	56½	56½	—	Pacific Mail.....	74	74	74
		Oct.	107½	107½	107½	107½	Do	9½	9½	9½	—	Peoria, Decatur & Evansville.....	46½	46½	46½
		Nov.	107½	107½	107½	107½	Do	1st pref.	—	—	—	Philadelphia & Reading.....	107½	107½	107½
		Dec.	110	110	110	110	Do	2d pref.	—	—	—	Pullman Palace Car Co.....	51½	51½	51½
		Jan.	112½	112½	112	112	Evansville & T. H.....	145½	151½	144	151	Rich. & W. P. Term.....	108½	108½	108½
		Feb.	115	115	114½	114½	Illinois Central.....	24	24½	24½	99½	Rome, W. & Ord.....	111½	111½	111
		Mar.	107½	107½	107½	107½	Lake Erie and Western.....	79	79½	76	76	St. Louis, A. & T. H.....	—	—	—
		Apr.	112½	112½	112	112	Lake Shore.....	131	131	126½	127½	Do	—	—	—
		May	115	115	114½	114½	Long Island.....	115	107	107	74½	St. Louis & San Francisco.....	—	—	—
		June	107½	107½	107½	107½	Louisville and Nashville.....	76½	76½	73	23½	Do	—	—	—
		July	110	110	110	110	Louisville, N. Alb. & Chic.....	25	25½	22	159½	Do	—	—	—
		Aug.	112½	112½	112	112	Manhattan Consol.....	102½	109	104	104	St. Paul & Duluth.....	47½	42½	42½
		Sept.	115	115	114½	114½	Mexican Central.....	—	11½	10½	—	Do	100	104½	—
		Oct.	107½	107½	107½	107½	Michigan Central.....	—	166	164	—	Do	113	112½	—
		Nov.	110	110	110	110	Mil., L. S. & W.....	—	—	—	—	Do	33½	31	32
		Dec.	112½	112½	112	112	Do	—	—	—	—	Do	134½	111½	124
		Jan.	115	115	114½	114½	Minn. & St. Louis.....	—	18½	16½	—	Do	10	9	9
		Feb.	107½	107½	107½	107½	Mo., Kan. & Texas.....	48½	48½	44½	44½	Southern Pacific Co.....	41½	41½	36½
		Mar.	110	110	110	110	Missouri Pacific.....	153	153	143	143	Sugar Refineries.....	129½	134½	124
		Apr.	112½	112½	112	112	Nash. C. & St. L.....	86½	86½	84	84	Texas & Pacific.....	10	10	9
		May	115	115	114½	114½	N. V. C. & Hudson.....	89½	89½	88	88	Union Pacific.....	41½	41½	36½
		June	107½	107½	107½	107½	N. V. C. & St. L.....	110	110	108	108	Wabash, St. Louis & Pacific.....	41½	41½	38
		July	110	110	110	110	Do	119	119	116	116	Do	25½	23½	23½
		Aug.	112½	112½	112	112	Do	19	19	16½	16½	Wisconsin Central.....	95½	15½	23½
		Sept.	115	115	114½	114½	N. V. L. E. & W.....	—	68	68	68	MISCELLANEOUS.....	—	—	—
		Oct.	107½	107½	107½	107½	Do	48½	48½	47½	47½	Am. Cotton Oil Trust.....	46½	45½	48½
		Nov.	110	110	110	110	Do	19	19	17½	17½	Nat. Lead Trust.....	50	50	38½
		Dec.	112½	112½	112	112	N. V. & New Eng.....	48½	48½	47½	47½	Tem. Coal & Iron.....	35½	36	41½
		Jan.	115	115	114½	114½	N. V. Ont. & W.....	19½	19½	18	18	Express—Adams.....	160	158	25½
		Feb.	107½	107½	107½	107½	N. V. S. & W.....	70	70	64	64	American.....	120	120	120
		Mar.	110	110	110	110	Norfolk & Western.....	70	70	64	64	United States.....	70	70	61
		Apr.	112½	112½	112	112	Do	—	—	—	—	Wells-Fargo.....	145½	146	146
		May	115	115	114½	114½	Do	—	—	—	—	Western Union.....	98½	98½	94½
		June	107½	107½	107½	107½	Do	—	—	—	—	Wheel & Lake E.....	80½	81	81
		July	110	110	110	110	Do	—	—	—	—	Do	65½	65½	61½

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

APRIL, 1893.

No. 10.

THE APPRECIATION OF GOLD AND DEPRESSION
OF TRADE.

The March number of the *Fortnightly Review* contains a lengthy article on the causes of the depression of trade, consisting chiefly of the opinions of the most intelligent men engaged in business. At the end, in summing up the causes, the editor says: "It is manifest from the above inquiry that, in the opinion of nearly three hundred of the leading manufacturers and traders of Great Britain, the present depression of trade is exceptionally severe and promises to be enduring. Some of them attribute this depression to the injurious effects of the McKinley and other protective tariffs instituted in foreign countries and in our colonies; others to over-speculation, and yet others to the trades unions, which have increased the wages and diminished the hours of the workmen. But these appear to be secondary and minor causes. With scarcely an exception all our correspondents speak of a fall in prices greater than that which can be attributed to the normal progress of industry—the introduction of labor-saving appliances, etc. Many admit that the demand for the special articles which they produce is good, while insisting with a curious unanimity upon a general and continuous fall in prices. It would, seem, therefore, that the appreciation of gold is injuring our manufactures, our trade, and our commerce. No doubt this appreciation is as advantageous to creditors as it is damaging to debtors. But looking at the matter in a broader way one may assert that it injures the

vast majority of those who work while benefiting chiefly the idle rich. It will indeed be strange, in these days of democratic government, if an appreciation of the standard of value is allowed long to continue. Almost all the teachers of economics in Great Britain to-day are bimetalists. Theory and business experience, it seems, in this matter point to the same remedy."

We cannot agree with the editor or with the merchants or manufacturers who were interviewed concerning the effect of the appreciation of gold on trade. Prices of commodities depend primarily on the demand of and supply for them. The standard of payment is gold, but payment is made chiefly in other commodities, as the analysis of payments always proves. As every one knows, most all payments are made by checks, which are settled through the Clearing House, and only a small balance is ever paid in money. If gold was actually used in making these payments the contention doubtless would be correct. But money is not used; it is simply a standard, and in a commercial sense the gold of the world includes all of its representatives. These are used as effectively for making payments as the metal itself. The quantity of gold, therefore, in the world, the yellow metal and its representatives, used for monetary purposes, is just as great as ever, and if this be so, we cannot perceive how its value has been affected by the efforts of late on the part of a few nations to withdraw a small portion from active circulation. Paper that circulates at a gold valuation is just as effective in making settlements and in carrying on the business of the world as gold. Since, then, the quantity of gold, in a commercial sense, remains unchanged, how can business be affected by the withdrawal even of a very considerable portion of the yellow metal? Its place is more than supplied by a fresh supply of other currency which has the same value as the gold withdrawn.

Unclaimed Savings Bank Deposits.—A report of the Savings Bank Commission regarding unclaimed deposits in the savings banks of Massachusetts is ready for presentation to the Legislature. It shows that such accounts appear on the books of 79 of the 184 banks of the State. A law was passed in 1889 authorizing Judges of Probate to make disposition of this class of deposits by decreeing transfers to the treasury of the State, of course with provisions for the recovery of the money, within a reasonable time, by those having legal claim to its possession. No transfer, however, has been made of any money under the provisions of this law, but the effect of the legislation has been settlement of fifteen of the long-standing accounts by the banks.

ON SOME RECENT ASPECTS OF COMPETITION.

In the earlier ages the wants of every man were supplied by his own exertions or by those of the members of his own family. This was a wasteful process. Yet the process was less wasteful than perhaps we imagine because his wants were fewer than they are now. Few and simple as they were, he could have accomplished far more by attempting to supply himself with only one or two things by his own exertions and obtaining the other things desired by exchange. On the other hand, he could do quite as he liked, and if there was a wastefulness of effort by supplying directly his needs in this manner there was the feeling that he could do as he desired; there was some compensation in the more complete independence which he enjoyed.

No illustration is needful to show what an enormous economy has been wrought by the exchange of services and products with each other. Suppose a shoemaker, for example, desires a chair, how much easier it is for him to make a pair of shoes and exchange them with the chairmaker for a chair than to attempt to make the chair himself. In the first place, the chair is doubtless much better than would be the one made by himself; and in the second place, the time consumed in making it would be very much greater than would be required for making the shoes given in exchange. All modern exchange is founded on this idea: that we have wants and that, instead of supplying them by direct effort, a true economy can be effected by exchanging the things we can make best for the things we want which can be better made by others. But in thus supplying our wants through exchange society has been changed in many ways. It would be very difficult to picture a society in which men had few and simple wants and satisfied them by direct effort; but all who are now living in highly civilized communities can comprehend what wonderful changes would be wrought by a return to such a primitive condition. Society would gain in some ways, but the losses would be incalculable. The return would mean to barbarism; a night of mental darkness and of wasteful energies of the people.

As exchanges, therefore, are founded on a true economy, in an ideal society they would be founded on just principles. If a shoemaker, for example, desired a chair and a chairmaker a pair of shoes, and the materials of each product cost the same sum, and equal skill and the same quantity of effort were required in fashioning them, a fair exchange would be the one product for the other. Unhappily, this idea of fairness in exchange does not uni-

versally prevail. The desire of almost every person is to satisfy his wants as easily as possible, in other words, by giving as little as possible for whatever he desires. It is this desire, the opposite of fairness or justice, which has given rise to many, perhaps most of the ills of modern society. The whole world is filled with lamentation springing from the injustice of men in getting too much in exchange for their services or products. While the promotion of justice is just as abiding as ever in society, and while this principle is observed by many, on the other hand the desire of the larger number of exchangers is to get the most for the least without regard to the sufferings or other consequences that may happen to the other party to the exchange. Every thoughtful person knows that this is one of the most prevalent ills of modern society. It may be that if selfishness did not find an outlet in these little wars of exchange it probably would in larger and fiercer controversies. This truth, therefore, should be kept in mind, that notwithstanding all the blessings flowing from the exchange of services and products manifold evils arise, and that in the land of Utopia, or a perfect society, exchanges will be based on the principle of justice.

One of the most cheerful views in thus regarding the members of society as exchangers, is their faith in each other to secure a satisfaction of their desires. The shoemaker is content to make only shoes, having faith that he can obtain all the food, clothing and other things he may need for himself and his family by the sale or exchange of his products. And this illustration applies to every member of society. All believe in the certainty of having our wants satisfied from day to day, of obtaining fresh supplies to-morrow in the same manner as they came to-day. A striking illustration of the dependence of one on another for supplying our wants, and the absolute faith that whatever is needed will be forthcoming, occurred during the snow blockade in 1889, which to a large degree isolated New York City from the rest of the world for a few days. Though the isolation was brief, the quantity of food needed to supply the people of that city was so small that in much less than a week nearly everything had been exhausted except salted provisions. So perfect was the faith of the people that supplies would be forthcoming they never thought of famine. But, as already remarked, advantage is taken of this dependence to effect unjust exchanges, and from which untold miseries arise. We shall not attempt to describe these, but only some of the more recent consequences experienced in exchanging.

Formerly, in doing business one of the great risks was occasioned by the slowness of locomotion, either in obtaining information or in sending or receiving products. If a merchant ordered a carload of tea, for example, from China, a year must elapse

before its arrival, in the meantime many events might have happened to affect its value. It might be worth much more when received than was anticipated, or the supply from other sources may have exceeded expectations. In doing business in India, merchants sometimes employed on some occasions very swift runners to go into the interior and make purchases and thus outdo their rivals. This, of course, happened when events pointed to an advance in prices. But now the railroads, steamships, postal service and the telegraph have put every person on the same level. The risks of business affected by time and distance have been minimized. All do, or can, live on the same plane of advantage. It would seem, therefore, if there were no other risks, as though it would be easier and safer to do business to-day than at any period in the world's history.

Besides, every person engaged in business to-day has a better knowledge of the world's supplies, of the productions of the earth, their quantity and quality, in short, business is less of a secret to-day than it ever was, and therefore all live more nearly on the same plane of advantage.

If those engaged in exchange are entitled to a fair reward for the service they render to society in purchasing products; in transporting them to the places of distribution; in keeping them until those appear who desire them; if these are the only elements of exchange, the business ought to be a very simple and safe thing. There can be no question concerning the leveling process wrought in exchange in the ways mentioned. The world is an enormous gainer by the changes in communication and transportation. The consumer especially is a gainer, while the exchanger is enabled to do his business with less risk, and ought, therefore, to be happier than he was in the olden time when the risks involved time and distance and lack of knowledge existed.

Again, in thus lessening time in transportation as well as increasing in rapidity and quantity of production, the persons engaged in production and exchange need not keep as large stocks of goods as they did formerly. Only a few years ago, for example, the manufacturers of blankets produced them through the year, while nearly all were sold during a period of three or four months. Not having capital enough usually to pay for the raw materials, wages and other expenditures, they were obliged to have recourse to their commission houses for more. The situation is now changed. Instead of purchasing large stocks they are now bought as they are needed for immediate sale. The manufacturer in many cases no longer needs any advances on them, and in turn has smaller stocks. Similar changes have occurred in the manufacture of many kinds of woolen, cotton and silk goods, and also in the manufacture of many other products, thus lessening

the quantity of products which a manufacturer, commission house or jobber is required to have in order to meet the wants of customers, and effecting a great economy in the use of capital. Only a few years ago in all the great stores enormous stocks at some periods of the year might be found, now large stocks of any kind of product can hardly be found in any of them.

Nevertheless new dangers and risks have arisen, and some of these will now be considered. The profits from exchange and production have tempted so many to devote their energies in these ways that profits have been reduced to a low degree. One class of economists consider all reductions of this nature as a distinct gain to society, but we think there are many qualifications to this deduction. In an ideal or perfect society the rule of exchange should be, as already mentioned, founded on justice, that is, an exchange in which the profits would be essentially equal on the same kind of product, or for a similar service. Whenever competition works out a different result it is not a blessing. Whenever the profits on a product are swept away entirely and it is sold at a loss, if some persons gain others lose, and, moreover, the loss in time will surely permeate every other class until all are affected. An ideal society, therefore, cannot be founded on the principle of a constant reduction in profits. Whether it is wise to continue this process depends on many things. The ideal rate of profits is a similar one on all things, having due regard to similarities of and differences in materials, skill, capital, time, etc.; and if the profit on an article is above this ideal rate then indeed society is the gainer until the price is reduced to the common level, but as soon as it goes below this, then the producer fails to receive his fair reward measured by the rewards obtained by others, and he becomes a sufferer.

Much depends, therefore, on the way the reduction in profits is effected. If a manufacturer introduces a new process whereby he can afford to sell his products at a lower price and yet reserve a fair sum for himself, he surely is not injuring society by reducing his price even if the consequence be the loss or failure of his competitors. Supposing the process is an equally healthful one society is the gainer in the end by every device for satisfying human wants with the least efforts and thus economizing human energy for self-improvement and other purposes, but when the lower price is not the consequence of introducing a labor-saving device or other economy but by selling at a loss, and, perhaps, as is often the case, by sinking borrowed capital, then society is a clear loser. Every bank that has been long in business can tell many a story of customers who have borrowed its money and given it away to others in the form of goods sold at less than cost. Such transactions should be condemned on every ground whatever the economists may say. They are immoral and can never be justified.

The desire of gain has stimulated production in all things which are open to competition until the margin of profit has been reduced to a low figure. The consequence is that the day of great fortunes in the production of most things has passed away. Some miner who is delving in the earth may suddenly find a rich vein of silver or gold and be transformed into a millionaire. The owner of a piece of real estate in a city, which may have cost him but a few thousand dollars, without the slightest effort of his own or of others but through the growth of the city, is also transformed into a rich man. A happy idea emerges from that strange, mysterious realm which no man understands, and an invention which perhaps was a toy in the beginning, like the telephone, becomes the source of enormous wealth to the lucky appropriators. But these are exceptional cases. In most of them the margin of profits is narrow, and only by the exercise of the highest skill and under the best conditions does any margin appear. This narrow margin under the more usual condition of business has given rise or prominence to a new set of risks which were unknown in former times when the margin of profits was much larger.

[TO BE CONTINUED.]

The Single Tax Scheme.—At Hyattsville, Md., Mr. Henry George's system of levying a single tax on land was undertaken, but has been suddenly ended by a decision of the Maryland Court of Appeals. Some of the Hyattsville land owners petitioned for a mandamus to compel the assessment and collection of tax upon improvements as well as upon land. The lower court dismissed the petition; but the Court of Appeals holds that under the Bill of Rights and the Constitution of Maryland all forms of real and personal property must be made to bear their proportion of taxation according to their actual worth. The Act of 1892, providing for the exemption of personal property, is declared to be unconstitutional. All must admit that the present systems are crude in the extreme, and that the taxation of personal property is fraught with many evils, but the objections to Mr. George's scheme seem to be almost as great. The ultimate object sought by the author is the confiscation or State ownership of the land. As is well known, he does not believe in private ownership and would have all the land transferred to the State, and this single tax scheme is another way of accomplishing the same result.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL SITUATION.

To have expected a general improvement in the business situation, sound as it is, based upon natural conditions, would have been to hope for the impossible, under artificial surroundings so unfavorable as have existed the past four months, or since the depleted condition of the National Treasury began to be alarming, and the failure of the International Bimetallic Conference destroyed the false hopes of outside relief. The whole business of the country is now in a state of partial paralysis, partly caused by class legislation for special interests, chief among which has been that for the Silver producers, and next, that in favor of monopolies, under which the huge Trusts of the past few years have been organized, to prey alike upon all legitimate competition in trade and consumers, at the same time that the currency of the country has been debased in the interest of the former and the Treasury bankrupted at the dictates of the latter. To expect general prosperity and good times under such circumstances, is to expect that the laws of industry and commerce can be violated without paying the penalty. It is this penalty we are now paying for our past disregard for and interruption of the natural laws of supply and demand, both in the production and distribution and exchange of our National products. Times will, therefore, never be permanently good until these laws are restored; for, no matter how prosperous these special interests and industries may be, under class legislation, they can never make good the losses of the community. This is

WHY GENERAL TRADE IS SO UNSATISFACTORY,

and why a large volume of business, such as the country did last year and is still doing, brings no profits to correspond with the risks. It is because the Sugar and other Trusts which are able to make 15 and 25 per cent. dividends, are taking the profits that belong to general trade. Both cannot make them; and so long as these concerns whose stock has been watered anywhere from three to half-a-dozen times over, are able to make such illegitimate profits on capital that never existed except on paper, actual capital engaged in legitimate trade must contribute, with the public, to earn them for these Trust monopolies that live on honest capital and labor and the consumers alike. It is this and the uncertainty of our finances, owing to our silver legislation, that is paralyzing business. It is this same state of affairs that has put our money

market in its present unsettled and dangerous condition, and will keep it there, as well as general trade, until those causes are both removed. The sooner, therefore, it is done the better, for everybody but the Trusts, so it is properly done and on a natural basis, that will make the change, which is always a disturbing factor in business, permanent, when it is next made. It is this for which all legitimate business, as well as the country, is now waiting. Otherwise, conditions are generally favorable to trade, barring a few local and special exceptions, owing to the temporary conditions of speculation, present or past, from which the interests affected are placed in an unnatural position, or have not yet recovered from such artificial conditions.

THE MONEY MARKET

has worked easier during the month, partly because of the liquidation in Reading, New England and Trust Pools during the previous month; and, in part, because the future wants of the great majority of borrowers had been provided for during the extreme stringency in the money market of February. It was this that aggravated the situation then, and sent rates higher than there was any reason for, simply because both business men and bankers got frightened at continued and heavy gold exports, apprehended inability of the National Treasury to maintain its \$100,000,000 gold reserve, owing to the failure of the last Congress to repeal the mischievous Sherman Silver Coinage Law, and the talk that gold would soon command a premium, unless Government bonds were issued for gold. Now a month has elapsed and none of these financial ghosts have materialized, while the high rates of money operated immediately to check and nearly stop the outflow of gold, which has not yet been resumed, although call loan rates have relapsed to almost the former low figures; and, at the same time, the heavy shipments of currency to the interior, West and East, have fallen off and its return already set in, towards the close of the month. These natural causes have been aided by artificial ones, in the shape of speculative influences in Wall Street, especially loaning by the Sugar Pool of its huge surplus fund of nearly \$8,000,000, including its April dividends of about \$5,000,000, for the purpose of making money easy, in order to assist the Bull Pool in its stock to put up the price and unload before the effect of its enormous extra dividend should be lost. There had also been a good deal of foreign capital attracted here in February, by the extreme rates, which has not yet been withdrawn, while the banks have been more free lenders, since they recovered from their February scare.

CAUSES OF THE LATE STRINGENCY.

All these causes have combined to produce great ease in the call loan market, yet their effect has not been felt on time loans and

general trade to any great extent, as lenders did not care to tie up their funds for any length of time, expecting that gold exports would be resumed, so soon as the April dividends and country indebtedness had been paid and rates fallen back to a point that would no longer keep the foreign capital that had been attracted here.

As a consequence time money has been dull at 6 to 8 per cent., while call loans have been 2 to 4 per cent. most of the time, and offerings of both in excess of demand the latter part of the month. The bank reserve at the end of the third week showed that the outflow of currency had not only ceased, but that the return flow had begun, notwithstanding the unusual amounts tied up in Chicago by the attempt there to corner May wheat by a clique, that had made arrangements with New York banks or bankers before the February squeeze in money came, to furnish the money to carry the deal through. This has taken and kept locked up there about \$10,000,000 of New York funds, while the Western banks have had to withdraw all their funds here to enable their customers to carry the enormous amount of wheat (the largest on record at this season of the year) held in elevators and warehouses throughout the West, the storage room of Chicago having been completely filled by the clique, and that held by parties who have sold it to them for May delivery. Large amounts of money were also tied up in Chicago by margins on an estimated shortage of 30,000,000 bushels of May wheat, besides considerably more on the provision speculation, which has been carried by the same clique as in wheat, to an extreme high price, though stocks are small. Ample stocks of corn, oats, and cotton, at interior points, West and South, have also tied up more than the usual amount of money in late years, and none of them have been moving to the seaboard and into export with the usual freedom, until near the close of the month, when a break here in the price of wheat, and an end of the five months cotton spinners' lockout in England, started shipments of these staples on a more liberal scale. This, and a gain in the Treasury free gold; the non-renewal of free gold exports, with the return of easier rates for money, and the ability of the Treasury to maintain its gold reserve without issuing bonds, have all helped to restore confidence in the future of finance and business, to some degree, though not to remove fears of the future nor to stimulate general trade.

THE STOCK MARKET.

as usual, has been the first to reflect this better feeling in regard to the future, and the Bear raids on the whole list that characterized February and early March, have given place to a Bull market on the covering of the shorts, who are unable further to depress prices and bring out long stock, and hence think it dan-

gerous longer to remain on the Bear side of the market. This, of course, was the immediate result of easier money; but it means more than that, for the Bears can now foresee no further trouble, which they dare to discount. Yet there has been no buying for the long account, on the prospect of higher prices. It is simply an evening up and waiting market, to see what effect the reinvestment of April dividends will have on prices; and, if the public will put them into stocks or allow them to lie idle in the banks. There are those, however, who look for a Bull market after April 1st, at the sharp decline in prices since the new year, which some believe has more than discounted the unfavorable railroad conditions, noted in last month's review of the situation, since when the car famine has been relieved, the freight blockade, except of grain at Chicago, removed, and the normal movement of traffic resumed, except in sections of the West and Northwest, where it has been further interrupted by severe storms and weather. Damage has occurred by floods in some sections, yet by no means what might have been expected, with the heavy fall of snow throughout the northern part of the United States the past winter.

THE RAILROAD SITUATION IMPROVING.

This danger has been minimized by the changeable weather, sudden thaws being succeeded by sudden freezings which have carried off this great body of snow by installments, without general floods so far. On the other hand, this same weather has done more or less damage to the growing winter wheat crop, of which reports have been serious; yet on the whole it is not credited as general, for the reason that the Bull speculation in wheat in Chicago finds its victims all through the winter wheat belt, who exaggerate the damage in order to help their position on the wheat market. So far, therefore, this alleged crop damage has not affected the stocks of railroads running through these sections, for the movement of the last crop has hitherto been in excess of their ability to furnish cars for its transportation. On the whole, therefore, the Stock Market appears to be in a healthy position, though stagnant, and the railroad situation has rather improved as a whole than gone backward the past month. Rate cutting is little talked about if indulged in, while there seems to be more harmony among important systems than of late years. This is especially true of the Trunk lines, which have been under the virtual supervision of a banker's committee, which is said to have informed a meeting of all the presidents of the Vanderbilt lines, called, for that purpose last fall, that unless they maintained paying rates, other presidents would be elected by these bankers who would; and, that no more money would be advanced them until they did. As a result, rates were restored on January 1st, it is

asserted, since when they are said to have been maintained, other Trunk lines having been influenced by their bankers to join in the movement. At all events, they have appointed a joint agent to make rates and engagement of grain for all the lines leading from Buffalo and other lake ports to New York, upon the opening of lake navigation, each road to get its percentage based upon its proportion of this traffic last year. In this arrangement the Philadelphia lines, with New York and Buffalo and Erie termini, have also joined. At the same time Western roads short of cars have been supplied by Eastern roads, and the car famine of late autumn and early winter broken. So that harmony instead of a war feeling seems to prevail in railroad circles generally, this spring, of which the combined action of the Chicago roads against an attempted strike of their switchmen is another strong evidence, while the decision of the United States Court at Toledo promises a solution of these differences between railroads and their men in the future that will avoid the disastrous losses to both and the loss and inconvenience of the public by these frequent interruptions to traffic and travel upon which the interests and existence even of the great centers of population are dependent.

THE GREATEST WHEAT CORNER ON RECORD.

There are few of the leading Produce Markets that are not now suffering from the effects of speculation, past or present, while some of them are in a semi-paralyzed condition therefrom, and all afflicted with one of the duller periods in years, outside of the manipulations of cliques, which control most of them. This is especially true of wheat, of provisions, and of coffee; while cotton has not resumed its natural condition yet, after the wild Bull craze of last autumn. In wheat the evil is the greatest, and the deal the most gigantic, the clique holding all the contract grade of wheat in Chicago to the amount of nearly 12,000,000 bushels, or half the total stock there, while claiming to have bought 30,000,000 bushels more from Bear speculators and Northwestern elevator men, for May, which they cannot deliver, because there is no more grain storage room in Chicago to bring in the balance of the enormous visible supply of over 50,000,000 bushels, held mostly in the elevators throughout the Northwest, and sold for May shipment in Chicago; and also because the bulk of this Northwestern wheat is not expected to go on contract grade in Chicago. On the other hand, Armour and other elevator men in Chicago are building new grain storage, and bringing in this Northwestern wheat, and even shipping from Detroit and Duluth to Chicago, and appealing from the refusal of the local grain inspectors to pass it on contract, and their appeal has been sustained by the State Inspector-in-Chief. The clique is composed of Cudahy and the other big provision packers, who

have run the greatest and most successful deal in provisions during the past eight months on record.

THE RELATIONS OF BANKS TO THE DEAL.

Of course such a position is unnatural, and May wheat in Chicago must eventually fall to the level of its tributary and distributive markets. But whether before the shorts have been forced to cover at the tremendous loss, indicated by the premium of May over other markets; or, whether the clique will be swamped by the enormous amount of wheat back, before the end of May, time only can tell. The New York banks or bankers who are furnishing the money to carry it on, had therefore better be prepared for a collapse of the deal at any time; either by its abandonment by the clique, or the settlement of the shorts, by requiring the Bulls to margin every bushel of wheat the banks are carrying for them, ten cents a bushel below the price of July, to which it must go, whenever the deal is over, unless crop damage shall meantime advance July from its present discount under May; while a failure of the clique to carry the "corner" successfully through would throw their entire holdings of 12,000,000 spot wheat and 30,000,000 of options on the market, and might produce a panic as bad as that which followed the Harper and Fidelity Bank failure, and carry May wheat, if not July with it, ten cents or more below the present price of the latter. Whether successful or not, the history of corners proves that prices always go lower than their legitimate level, after a deal in which they have been artificially forced above it; and this is sure to follow the present deal, unless damage to the growing crops at home or abroad shall occur to help the clique out. Keene's name, of New York Stock Exchange fame, has been connected with this deal. But there is no visible evidence of its truth, the fact that the money came from New York to pay for the cash wheat, no doubt lending color to this. But the money was obtained here simply because it could be gotten cheaper than in Chicago. At all events John Cudahy of Chicago, who managed the late provision deal so ably, is managing this in wheat also, absolutely, either for others or for himself, or both, and it matters not who is in it while he controls it and is able to command all the money he wants, of which he was credited with adding \$3,000,000 to his already ample fortune by his deal in provisions running from last October to the end of January, since when he has controlled these markets as well as that for wheat, though prices have been going down all through February for the whole provision list, as he is supposed to have sold out and taken the other side of those markets, after prices went so high as to curtail consumption nearly two-thirds last year's volume, both for home and export.

The cotton market has shown the same downward tendency since it was forced too high last fall on the short crop, for it is now turning out an average yield on the movement to date, which indicates a full $6\frac{1}{2}$ million bale crop, while there was an enormous surplus carried over from the two previous unprecedented crops. At the same time the five months' lockout in Lancashire and the bad trade on the Continent has reduced the export demand seriously; nor has the settlement of the labor trouble brought in European buyers as expected, for the reason that larger stocks were carried over there last year at low prices as well as here.

THE IRON AND OTHER TRADES.

The former has shown improvement in demand the past month in some important branches, and as a whole, there has been a fair activity, though the supply has been sufficient to keep prices down to the old unsatisfactory level, where a new dollar for an old one and pay for wear and tear is about all that could be realized. But any improvement is a hopeful sign under general conditions of trade and manufacture. The coal trade is in very fair shape as the cold and late spring, like the winter, is helping out the anthracite combination still, though it has been forced to let down prices to market coal more freely, as the Reading could no longer hold the bag, while its rivals in the combination filled it and made all the money as they had been doing for several months, while the Reading blockaded its road and tied it up with unsold coal.

The grocery trade is dull, and in the condition of general business, to which is added the uncertainty of the future of prices in two of its chief staples, coffee and sugar. The latter is still under the control of the Havre Bull Syndicate that has held the market of the world for months; and, like all deals, it paralyzes trade. The Sugar Trust has gotten left for once on this short crop, holding off to get its raw sugar cheaper, because of the large movement early which was taken by it to indicate a big one; instead of which it was due to the general introduction of improved machinery by the West India planters, who were thus able to get their crop to market sooner than usual.

The dry goods trade is in very good shape, especially woolen manufactures and that class of cotton goods whose make is well known; but inferior or less popular samples are going slow and at unsatisfactory prices.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Congress and Bank Note Circulation.—Though the last Congress did nothing in the way of legislating on bank circulation, many plans were considered by the members of the banking committee and by other members of both Houses. A well-informed newspaper correspondent says:

It is a pretty safe assumption that the repeal of the tax on State bank note circulation will not be reported as a naked proposition, without safeguards to the circulation which the State banks might issue. There is a strong feeling among members of both parties that Federal supervision, similar to that which is now exercised by the Comptroller of the Currency, has advantages which ought not to be lightly abandoned, even if institutions under State charters are allowed to furnish the circulating medium. Mr. Harter has proposed to meet the issue by repealing the tax on circulation, which is issued under certain restrictions by State banks which are willing to submit to the supervision of Federal officers, and leaving the tax in full force upon all other circulation issued by State banks. The practical result of such a provision would, of course, be that not a note would be issued which was not issued under the provision of the Federal law. Probably the same result would be attained, even if the tax were repealed in all cases. The banks whose circulation had a sort of Federal guarantee upon it would be only the ones whose notes would pass current in the business world. If local institutions less securely guarded issued notes at all, the notes would find their way rapidly back to the issuing bank for redemption when they got beyond their own locality. Modifications of the National system have been proposed, as in previous Congresses, in various forms. The perfected bill of Representative Walker, of Massachusetts, has lately been receiving some attention from several leading Democratic members, as well as Mr. Walker's Republican associates. He proposes a currency based partly upon deposits of gold and silver bullion and partly upon the general assets of the bank, secured by a small safety fund. Lawful money is also allowed to be deposited in place of coin as a part of the security of the circulating notes, and only the notes issued upon coin and legal tender security are to be counted as part of the bank's reserve.

We are by no means sure that his assertion is correct, that the notes that are inferior bank note circulation, wherever established, would be driven out by a better. If the States were permitted to authorize the issue of bank notes once more, while it is true that the most intelligent persons would understand which notes should be taken and which refused, the less intelligent would possess no such knowledge. What, therefore, would happen is this, the inferior bank note issues would circulate and among the ignorant and poorer classes, and who could least afford to sustain the losses that would be incurred. This is the great danger. The more intelligent and thrifty are quite able to take care of themselves, but the less intelligent and less thrifty cannot do this, and

legislation is needed for them. One of the best pieces of State legislation, providing for State bank issues, has been enacted by the Legislature of North Carolina. The bill provides for the appointment of a Comptroller and describes his duties, and also the mode of organizing and conducting banks. The bill in many respects follows closely along the National banking law, though the authors have also carefully studied the more important legislation of the States bearing on the subject. We have not space to publish the bill entire; but give sections which provide for the issue of State bank notes. It is a very thorough piece of legislation, and creditable to the members of the Legislature of that State.

Growth of the New York State Banks.—The following table, showing the principal items of liabilities and resources of the State banks for each of the last twenty-five years, is taken from the last annual report of the Superintendent of Banks:

DATE.	Capital.	Due Depositors on Demand.	Loans and Discounts.	Profits and Surplus.	Total Resources.	Number of Banks.
Sept. 26, 1868...	\$14,578,260	\$40,980,922	\$39,455,487	\$5,758,181	\$67,886,319	44
Sept. 25, 1869...	18,205,924	60,517,891	47,743,597	6,805,689	92,382,091	55
Sept. 24, 1870...	19,759,810	46,535,437	46,435,920	7,384,299	79,281,601	59
Aug. 20, 1871...	23,061,020	61,908,371	56,318,799	7,628,050	100,421,820	69
Sept. 21, 1872...	24,845,040	75,491,383	66,076,361	8,624,172	117,858,811	70
Sept. 13, 1873...	26,958,890	70,733,491	71,073,544	9,256,782	116,536,734	80
Sept. 26, 1874...	26,336,290	62,471,306	66,435,729	9,751,938	111,180,340	81
Sept. 18, 1875...	24,915,090	61,834,937	68,191,919	9,504,764	107,071,918	84
Sept. 23, 1876...	24,463,317	56,774,912	63,062,801	8,586,006	100,759,644	84
Sept. 22, 1877...	22,729,100	54,002,718	57,906,952	7,702,600	93,385,429	81
Sept. 21, 1878...	20,568,200	50,540,621	51,626,029	7,230,252	86,655,270	75
Sept. 13, 1879...	19,353,200	52,259,589	51,174,579	7,236,465	86,693,182	73
Sept. 18, 1880...	18,738,200	61,795,773	66,179,259	8,058,180	99,850,755	68
Sept. 24, 1881...	19,025,700	75,717,130	74,745,135	8,928,175	113,463,572	72
Sept. 30, 1882...	18,805,700	82,050,980	80,248,514	9,657,702	122,563,466	76
Sept. 22, 1883...	21,761,700	113,914,963	96,338,963	11,146,418	160,716,393	84
Sept. 20, 1884...	22,150,700	109,560,334	92,100,967	11,792,902	157,446,275	89
Sept. 12, 1885...	22,350,700	116,774,018	97,928,129	11,605,775	167,667,499	92
Sept. 18, 1886...	22,095,700	130,416,652	110,539,711	12,689,267	179,247,274	95
Sept. 17, 1887...	23,330,700	139,035,151	118,539,965	14,316,628	190,954,547	105
Sept. 22, 1888...	25,565,700	155,926,396	131,302,111	10,586,457	217,398,717	130
Sept. 7, 1889...	28,235,700	177,528,422	144,610,830	19,057,464	245,163,888	149
Sept. 27, 1890...	29,539,825	177,109,131	157,440,817	21,146,448	254,068,266	166
Sept. 12, 1891...	31,645,700	182,802,322	157,991,868	23,405,364	258,944,034	177
Sept. 22, 1892...	32,533,700	195,342,017	177,522,211	25,869,531	278,108,600	192

Commercial Arbitration.—The practice is growing in London of patronizing the London Chamber of Arbitration for the settlement of commercial disputes. In the Saxon period were the Piepoudre courts for settling questions between buyers and sellers at Bartholomew Fair and other markets, and during the fifth century the Aldermen acted as arbitrators in disputes to which German merchants were parties. At that time it is probable these methods of settling

disputes partook more of the character of a simple, and expeditious court of justice than what is now understood by an arbitration. Still it is not likely that the disputants objected to this; the matter was decided on the spot, and the delays and expenses of litigation were avoided. With the growth of commerce during the present century, and the corresponding increase in disputes, the public were led to seek a quicker and less expensive method than in legal proceedings, and the Chamber of Arbitration was suggested. The proposal met with unusual favor, and the new institution has now become an established fact. The system of commercial arbitration has been in existence for some years on the Continent, and also in the United States. In Paris and other large trade centers in France Tribunals of Commerce, as they are called, are regulated by the Code du Commerce and are compulsory, but in most other countries the submission is entirely optional. The London Chamber is necessarily of the latter kind, as the law only sanctions compulsory attendance before a court presided over by a judge of the High Court or County Court. Strictly speaking, the Chamber has no further judicial authority than is conferred on ordinary arbitrators by law, its chief advantages being the saving effected in time and money, and that the questions in dispute can be decided by persons who are practically experts in the matter. The London *Financial Times* in describing the London Chamber says that "all proceedings are considered as private, and no one besides officials and witnesses will be allowed to be present except such as the disputants may mutually request to be admitted. A disputant may be represented by either branch of the legal profession on giving notice to the other disputant, but all forensic displays will be discouraged, and the arbitrators, unfettered by the rigid rules of evidence, will arrive at their decisions as speedily as may be with regard to efficiency. Once the submission to arbitration is executed it cannot be revoked by either party without the consent of the other, except by leave of a judge, and provision is made under the rules that submission shall not be affected by the death of any party concerned. The arbitrators are British subjects, especially qualified by experience or special trade knowledge, and include representatives of almost every business and calling in London. All questions can, therefore, be adjudicated by experts, a feature which certainly should be appreciated by business men." One of the effects of patronizing this tribunal is to diminish litigation in the ordinary law courts. The institution is regarded with disfavor by lawyers as the best sources of their income are diminished. They are trying to persuade their former clients to return, but profiting by the more expeditious and less expensive methods of arbitration they are not inclined to heed the wishes of members of the legal profession. As the

tendency is toward lower prices, of necessity expenditures must be reduced, and those of lawyers sometimes form a very important item. So arbitrations by the commercial bodies in this country are becoming everywhere established, because the methods are cheaper and more expeditious. In Great Britain, in Manchester, Liverpool, Nottingham, Leeds, Birmingham, Barnsley and Dublin, steps have been taken to establish similar chambers.

The Pennsylvania Railroad Report.—A yearly dividend of six per cent., with a surplus of over a million, in these times is conclusive evidence that this great corporation has had a prosperous year. But few railroad corporations are now paying dividends as large. The earnings of the lines east and west of Pittsburgh were \$138,974,520; the expenses, excluding rentals, interest, dividends, etc., aggregated \$98,352,083; and the net earnings were \$40,622,437, or about \$1,800,000 less than in 1891. The amount of freight handled aggregated 141,371,846 tons, or 11,379,000 tons more than in 1891, and the number of passengers carried increased nearly 2,800,000, to 89,690,341. The amount of money expended on new tracks and to increase the equipments and facilities of the company reached the enormous sum of \$15,449,000, which is more than many railroads earn in gross per annum. These great expenditures were made all along the line, and include the building and extension of branches into the bituminous and anthracite coal fields and improvements west of Pittsburgh, made necessary by the World's Fair at Chicago. The quantity of steel rails used was 107,936 tons. The influence of this tremendous concern on all departments of trade can scarcely be estimated, looking at it merely as a consumer of material. The main line, or that portion of the Pennsylvania system east of Pittsburgh, earned \$8,828,813 for the stockholders, which was enough to pay 6 per cent. in cash and place \$2,127,026 to the credit of the profit and loss account, which account has now reached the enormous sum of \$26,461,860. This showing ought to be satisfactory even to the English stockholders. The United Railroads of New Jersey show about the same loss as last year, while the Philadelphia and Erie Railroad earned a slight profit. The traffic in coke and coal showed an increase of nearly 8½ per cent., and it proved to be about 57 per cent. of the business of the Pennsylvania Railroad division. The Pennsylvania easily maintains its position as the greatest of bituminous coal carriers, its traffic in coke and coal having been in amount equal to more than half the aggregate shipments of anthracite coal. The lines west of Pittsburgh show a net profit of \$2,392,988. The percentage of operating expenses, as compared with gross earnings, was not increased by increased cost of moving traffic, but by lower rates. More business was done for less money, owing to sharp

competition. This is a matter for rejoicing upon the part of the public rather than the shareholders. But it illustrates the continued tendency toward cheaper movement of freights, resulting from improved equipment, larger business, and more strenuous competition. Indeed, the average rate per ton per mile has declined during twenty-six years from 2 cents 320-1000 to 647-1000. These results are the proper fruit of the wise policy which has made the Pennsylvania Railroad the generally admitted foremost railroad in the world.

The Bullion Reserve.—All who are interested in National finance are breathing somewhat easier with respect to the use of the hundred million of gold reserve. Instead of regarding this as a fixed sum which cannot be used under any circumstances, the belief has gained ground that it will be used whenever the occasion requires. We have always contended that the Government was too strict in its construction of the law respecting the National bank reserve; that there were times when it should be used, and that was the very object of establishing the fund, but a reserve that cannot be used is no reserve at all. Of course, the supply of gold ought to be kept above the hundred million limit if possible, but there is no reason why this sum should not be used whenever the occasion is pressing. The *New York Tribune* has very forcibly remarked:

It is reasoned that if the bullion reserve should at any time be once reduced slightly below the hundred-million limit, bankers and others would instantly present \$20,000,000 or more legal tenders, drawing the gold from the Treasury. This would have been considered absurd a short time ago, but the curious state of panic which some bank officials themselves have caused and fostered, gives some excuse for the idea that they might even do so foolish a thing as to draw millions of gold from the Treasury, at the sacrifice of interests of the business community and their own customers. True, they would have the gold in their vaults, but could make no use of it in current business. They would immediately be obliged to get somewhere the legal tenders for daily uses, because the public would not freely use gold in current settlements, and the banks themselves would hoard it. The necessity of getting gold for daily use, the inconvenience of holding the \$70,000,000 now possessed, and \$20,000,000 more as a sort of unavailable fund, which the banks could not afford to pay out freely, would soon bring even the most unreasoning bankers to a sense of the situation. The very purpose of the bullion reserve, as originally planned, was to provide a sufficient fund for the redemption of all notes that can at any time be withdrawn from circulation without causing such need for notes, such pressure to get notes for current use, as would put and keep them at par in gold. It is possible that \$20,000,000 in notes might be withdrawn from circulation at this season without producing that effect, but it is measurably certain that \$100,000,000 could not be, and therefore a reserve of that amount of gold has been considered ample for the protection of the note circulation.

Trust Company Legislation.—The Savings Bank Commissioners of

Massachusetts are trying to get some legislation restricting trust companies, which are now beginning to spring up all over the State. One of their propositions is that the minimum capital allowed shall be \$500,000, instead of \$100,000 as now. This, of course, is largely in the line of discouraging the establishment of new companies, and it meets with strong objections.

New Gold Supplies.—The discovery of a large gold supply would do much toward solving the silver problem. The output in South Africa is steadily increasing, and many who have explored the field believe that a large supply of gold may be expected from that source. The mines are owned wholly by European and British capital, and their development began about six years ago. Already the supplies of gold obtained from that quarter are very considerable.

Decline in Prices of Land Products.—Everywhere the same complaint is heard of the decline in the price of cotton, wheat, and other products. The late Secretary of Agriculture urged the planters to reduce their acreage, but even smaller crops will not restore former prices. He also suggested the raising of other crops in place of the cotton and rice. What the planters and wheat-growers desire is the old prices, which were paid when the European demand for cotton and wheat was heavy and the American supply was limited. Can these prices be restored? Competition is affecting the prices of almost all kinds of products, and as long as this extends to the products of the soil, how can the producers escape the usual consequences? They also forget that the prices of everything they buy, as well as the prices of transportation, have declined in as great or greater proportion, and, therefore, unless in debt, they are quite as well off as they ever were. Twenty-six years ago the rate for carrying freight on the Pennsylvania Railroad was 2 cents 320-1000 per ton per mile, while now it is 647-1000 per ton per mile. The prices of farm products have not decreased in the same proportion. The prices of agricultural implements, and nearly everything they buy, except labor, has declined in a greater proportion than the products they sell. There is, then, less foundation for their complaints than some imagine. Again, with respect to the production of cotton, the time is coming when American planters will feel the pressure of foreign production. In Central Asia the increase is very considerable. Cotton is at present cultivated in the Khanates of Khiva and Bokhara, and also in the Province of Turkestan. The Khanates produce scarcely anything but the native cottons, whereas, in Turkestan, the American kinds are now most generally produced. Although there are no proper statistics about the production of

Khiva and Turkestan, it is, nevertheless, possible to ascertain the quantities exported, because all the exports from Bokhara are conveyed by the Trans-Caspian Railway, and those of Khiva by the same railway, and also by that of Orenbourg.

	<i>Area in hectares.</i>	<i>Native kinds.</i>	<i>American.</i>	<i>Total.</i>
1887.....	61,090	40,023	7,852	47,875
1888.....	71,290	?	?	58,969
1889.....	87,040	26,760	29,561	56,321
1890.....	89,550	16,525	45,125	61,150

The quantities of cotton are given in tons of a thousand kilos each. It is reckoned that the returns of cleaned cotton constitute about one-third of the raw cotton. The *Manchester Textile Mercury* says:

If in the future canals are constructed so as to serve large areas, the Khanate of Bokhara might attain a production of nearly 500,000 tons per annum. As the cultivation is developed also on another side in the Khanate of Khiva, it is quite admissible to reckon that in a future, which is perhaps not very distant, the whole quantity of 150,000 tons of cotton now consumed by Russia, and for which she is still tributary to America and Egypt, might be furnished by Central Asia, the Trans-Caspian territory and Trans-Caucasia—that is to say, that Russia will be able to supply its own requirements.

STATE BANK SYSTEMS.

Much has been said during the last six months concerning the desirability of superseding the National bank system by State banking systems. The chief reasons are the doubtful constitutionality of the National system in many minds, although this question has been clearly settled by the highest court in the Union, but more especially to obtain a profit on bank circulation. For nearly twenty years there has not been much profit on the notes issued by National banks, while under State systems this was an important source of profits. The objections against the return to State banking is that the systems were too imperfect and entailed heavy losses on note holders. It is proposed to review briefly the more important systems that have been established; we shall begin with banking during the colonial period.

Several banking schemes were launched by the colonies previous to their separation from Great Britain. They have often been regarded as quite original undertakings, but read in the light of the history already given, it will be seen that our fathers merely trod in the footsteps of their predecessors. The first discussion about establishing a bank occurred in Massachusetts in 1652. The colonists may have broached the subject earlier, but we can find no trace of their having done so. Not satisfied with the mode of

obtaining an increased medium of circulation for the purposes of traffic, the people of that colony seriously thought of establishing a bank and issuing paper money. Another reason which impelled them was the bad state of the currency—just what had led the people of Venice and Amsterdam to establish a bank centuries before. The matter was brought before the Legislature, and the following was the conclusion of the report by a committee to that body: "What hath bin thought of by any for raising a Banké or engaging in generall trade or relating to monies in regard of the badnesse of it, or highnesse or lownesse of it, with very many other matters tending to the promoting and well regulating of trade, will by this means be inferred, and things reduced to a more comfortable state than we now find."

Thirty years passed, and then we hear Gov. Dudley and his council saying that it had been suggested to them that the "delay of trade, obstructions to manufactures and commerce in this country, and multiplicity of debts and suits thereupon, principally occasioned by the present scarcity of coyne," could be remedied by supplying bank-bills, "or credit given by persons of estate and known integrity and reputation." The governor remarked that other countries had found their banks useful "to their great flourishing in trade and wealth." Bank credit or bills were of "greater value than ready money there." John Blackwell and others had indeed made a proposal for establishing a bank, and these remarks of the governor and council were in reply to the proposal. Liberty was granted for the directors or "conservators" of the bank to issue bills on the security of real and personal estate and imperishable merchandise. This was in 1686. The project gave no offense to the Government. At the time of authorizing this bank men were earnestly discussing the expediency of establishing a National bank in England. In 1701 the General Court proposed a bank to be owned by responsible men, but the recommendation was negatived by the council. Eleven years afterward Coleman's scheme came before the public. His bank was to be based on real estate. The idea was doubtless obtained from Hugh Chamberlayne's plan, which had been laid before the British Parliament in 1693. Macaulay describes the plan in his usual graphic manner. He says: "The doctrine of the projectors was that every person who had real property ought to have, besides that property, paper money to the full value of that property. Thus, if his estate was worth two thousand pounds, he ought to have his estate and two thousand pounds in paper money." Notwithstanding the absurdity of the plan ought to have been apparent to "the most illiterate clown that could be found on the benches," a committee of that body reported the plan to be practicable. But Parliament opened its eyes before further action was taken, "and the country was

saved," adds Macaulay, "from a calamity compared with which the defeat of Landen and the loss of the Smyrna fleet would have been blessings."

One inducement held out by the projectors of the Colonial Bank was that, if allowed to establish it, they would aid in erecting a bridge over Charles River. But a critic of the time said that this was "next to building castles in the air." Even if forty or fifty thousand pounds were spent in the enterprise, it was regarded as uncertain; for, says this writer, "I can't learn of a fast-bridge over such a river where there is such a stream in the whole world." What if he could see the bridges of our day? Coleman argued that the establishing of such an institution would not lessen the coin, for it was sent off as freely before bills of credit were issued as it had been subsequently. He also declared that unless there could be issues of notes from private companies, as well as from the public Treasury, it was the general belief that greater depressions would happen. But the scheme encountered no little opposition. It was severely censured as a South-Sea bubble, a Pandora's box, and an infringement of the royal prerogative. Nevertheless, a considerable number of men met for the purpose of taking the stock of the proposed bank, and preparing rules for its management to be laid before the General Court for its approbation. Seeing that the bank was likely to be established unless prevented by the Legislature, the province council held a convention and ordered the projectors not to proceed to print their scheme or emit any bills before laying their proposals before the general assembly of the province. Thus cautioned, the patrons of the affair issued the following notice: "Whereas, the trade of this province is very much embarrassed for want of a medium of exchange, and an expedient being proposed to ease this difficulty by circulating bills or notes founded on land security, considerable sums being already subscribed, there will be attendance at a place designated to complete the subscriptions for the enterprise." In less than two months directors were chosen, and the institution went by the name of the Land Bank. The Legislature sought to counteract the institution by making a bank of the province itself and issuing bills bearing interest. Bills to the amount of £250,000 were authorized of the same tenor as those already existing, which were to be put into the hands of five trustees and let out at 5 per cent. on safe mortgages of real estate, one-fifth of the principal, with the interest, being payable every year. Though the loans were restricted as to time, Felt says that some of them were continually renewed, so that they were out over thirty years. No person could borrow more than £500 or less than £50. The income was to be applied toward paying the public expenditures.

In this way the Legislature sought to supersede the private con-

cern. In order to make its destruction certain, the Legislature "ordered that no private company or partnership proceed to the making or emitting of any bills of credit as a medium of exchange in trade, without the allowance and approbation of the court." But the mercantile portion of the community were not satisfied with the action of the Government in authorizing a loan of its credit. They thought it had not done enough. Accordingly, they petitioned for providing a more abundant medium of exchange in trade. The supporters of the Land Bank still held their ground. The governor himself had formerly been the promoter of a similar scheme; now that he was opposed to them, they labored for his removal. He was succeeded in 1716 by Gov. Shute, on whose recommendation that efforts should be made to revive trade, an additional loan of £100,000 was made by the province. The effect of making this loan, however, was to depreciate the paper currency of the colony.

Meantime, the notes of the private bank crept into circulation. In 1733 its bills in circulation amounted to £110,000, and were redeemable, says a committee of the Legislature who made a report at that time on the subject, in ten years, with silver at nineteen shillings an ounce, which was then the common rate of the province paper. They were regarded at that time as better by 33 per cent. than the province bills.

Moved by public opinion, a company in New Hampshire concluded to found a similar banking institution. The Legislature of Massachusetts, learning of the enterprise, passed a law against the circulation of the bills in that colony. "This," says Felt, "was a banking speculation which promised much advantage to its promoters, but very little to the public. The large amount of its paper, like all such currency of that day in New England, reached Boston, the great mart for the Northern colonies. But, placed under the ban of the law, its market was spoilt for this province."

Although the Government exerted all its energy and wisdom to kill the Land Bank, the institution flourished. Learning that the military corps encouraged its circulation, the governor issued a proclamation against their so doing. The next important movement was to require the stockholders to give bonds, so that the public should not be injured by taking the notes of the bank. The governor informed the representatives that petitions had been presented to the King and Parliament for its immediate suppression, and proposed that they should pass a law to that end. But the bank had become popular, and they preferred to follow the public wish and suffer it to continue its operations. The governor did not abate his efforts to suppress the concern. Parliament then came to his assistance. The act passed in 1720, commonly called the Bubble Act, was extended so as to cover the planta-



tions in America. The supporters of the bank did not discontinue its business even now. They defied the act of Parliament. In a letter written by Gov. Belcher in May, 1741, he said: "The Land Bank concern openly defy the act of Parliament, are now combining to raise a rebellion, etc. I have this day sent the sheriff and his officers to apprehend some of the conspirators. The Land Bank does so affect every affair in the assembly and throughout the province that it will be the ruin of the Government and people if it be not speedily and effectually crushed." The influence of the bank in the assembly grew more and more potent.

Finally, the tide turned against the bank. The action of Parliament, followed up by the vigorous efforts of the governor, and the confusion into which its affairs had fallen, led to submission. A committee of the Legislature was appointed to settle its affairs, but a long time elapsed before the labor was completed. Again and again it makes its appearance like a specter in the hall of legislation. In the end, the directors and many of the stockholders lost very heavily, and its affairs were not entirely closed until 1768. The last claim made upon the directors was for £1,500, and the records of the General Court do not show what action was taken about requiring payment. Felt says the probability is that the directors or their heirs discharged this balance. Though the institution possessed only a small capital, it played a considerable part in history.

In 1740, Edward Hutchinson and partners formed a specie bank. The notes were to be redeemable in fifteen years with silver at twenty shillings an ounce, or gold *pro rata*. This was on the same plan in other respects as the other, and its bills were denominated "merchants' notes." The object of promoting it, Felt says, was to put down the other. In the Legislature there was a diversity of opinion respecting these rival companies. The council expressed a wish that the Land Bank be disannulled forthwith, but that the silver scheme, as it was called, be put over to the next session. The representatives, regarding the Land Bank as designed for people of moderate means as well as the rich, manifested their desire that both should suspend operations until the next general assembly. This course was finally taken. At this time several other banking schemes were projected; indeed, men seemed very generally to be infected with a mania for banking experiments. One company in Essex county applied to the Legislature for leave to issue £50,000 of notes on land securities. Another was proposed by residents in Scituate and neighboring towns, and a third in Middlesex county. These applications were not favorably considered.

The governor and Parliament sought to suppress the Specie Bank as well as the other. The committee who were appointed by virtue

of an act of Parliament to collect and consume "all the notes of the silver and manufactory schemes" reported, on the 30th of June, 1742, that the Specie Bank had emitted £120,000 in notes, and recalled £69,361, leaving the balance in circulation. It then disappears from history, and the probability is that its bills were soon discharged, while those of the older institution were to remain outstanding for several years before reimbursement.

The experiment of making colonial loans was not very satisfactory. In many cases borrowers were slow in paying. In 1740 the Massachusetts colony made a determined effort to collect the arrears of delinquents. "Much litigation and great loss accrued to many, who had mortgaged their estates for such debts." In 1712, South Carolina engaged in a similar experiment. Forty-eight thousand pounds were issued, called bank-bills. They were lent on bonded or personal security for a year, the colony promising to pay \$4,000 yearly until the amount was redeemed. In Pennsylvania, where essentially the same plan was tried, the result was more satisfactory than in any other colony.*

Bank of North America.—The next bank was that of North America, established by Congress and chartered simultaneously by several of the State Legislatures during the anxious days of the Revolution. Robert Morris suggested the establishing of it soon after he assumed the duties of his office as superintendent of finances of the Confederation. Alexander Hamilton had previously favored the trial of this experiment, and in a letter addressed to Morris early in his official career had laid all the details of a plan before him. Morris's plan was speedily approved by Congress, and as soon as the subscriptions were filled, the bank was incorporated under the name of "The President, Directors, and Company of the Bank of North America." The States were requested to pass laws forbidding the establishment of any rival institutions during the war, and declaring that its notes, which were payable on demand in gold and silver, should be receivable in payment of taxes, duties, and debts due to the United States. The capital was \$400,000, which could be increased to \$10,000,000; and the right of inspection was given to the superintendent of finances. Morris relied for a supply of coin on the governor-general of Havana, who was to be repaid by annual shipments of flour guaranteed by France; but the first condition of the engagement was never fulfilled. When the bank began operations, the amount of specie in its vaults did not exceed \$40,000, and the fear of an early exhaustion of this sum was so great that persons were employed during

* Felt's *Historical Account of Massachusetts Currency*; Douglas's *Discourse Concerning the Currencies of the British Plantations in America*, Boston, 1740; *Account of the Land Bank, or Manufacturing Scheme, and the Silver Scheme in Massachusetts*, Boston, 1744; Douglas's *Summary*, Boston, 1749, 1751.

the critical period of its existence to follow those who demanded specie and urge them to return it. Notwithstanding every effort to make the issues of the bank safe, they circulated in the beginning from 10 to 15 per cent. below par in the Eastern States, and if Morris had not taken immediate measures to create a demand for them, and prevented further issues from going thither, their value would have been lost. Once gone, this could not have been easily restored, after the recent costly experience of the people in circulating paper money. Morris's efforts, however, were immediately successful. The issues of the bank rose to par, at which point they were sustained without further difficulty. This was the first bank established in the country which had redeemed its bills in specie on presentation.

As soon as the bank was opened, Morris wrote to the governors of the States declaring his confidence that, with proper management, the institution would answer the most sanguine expectations of those who had befriended the undertaking. Besides, it would facilitate the management of the finances of the United States. "The several States may, when their respective necessities require and the liabilities of the bank will permit, derive occasional advantages and accommodations from it. It will afford to the individuals of all the States a medium for their intercourse with each other and for the payment of taxes, more convenient than the precious metals, and equally safe. It will have a tendency to revive both the internal and external commerce of North America, and undoubtedly will be infinitely useful to all the trades of every State in the Union, provided it is conducted on principles of equity, justice, prudence, and economy."

Notwithstanding its early trials, the bank surmounted them, ministered effectively to the Government, and furnished the country with a safer and more convenient medium of exchange than even specie. In the third year of its existence its cash account arose to 5,957,000 Mexican dollars. Notwithstanding the attacks made on the bank during the succeeding year, "such was its great internal strength and the energy of its very nature," that its transactions amounted nearly to \$37,000,000; indeed, its success endangered its life. Others wished to share the fat dividends, and when the directors refused to increase the capital of the bank, the erection of a rival institution was proposed. This was in 1784. The directors of the old concern were stoutly opposed to the scheme, and prophesied direful consequences if two banks attempted to transact business in Philadelphia in opposition to each other. "Two shops to go to," was the phrase of the day. The excitement ran high. The assembly of Pennsylvania was "plagued with long arguments on both sides," but "all at once the thing was hushed up and accommodated." The directors consented to increase the capital

from \$400,000 to \$2,000,000, and allow the projectors of the new enterprise to become stockholders in the other.

No sooner was this contest settled than another and still fiercer was forced on the bank. A numerous party arose in Pennsylvania who demanded the issue of more paper money by the State, as had been done by the colonial land office before the War of Independence. "But unless the bank would give it currency, which everybody saw plainly enough the directors could not do," a new paper issue could not be created, as the State was powerless to put forth one having the confidence of anybody. The bank, therefore, was regarded as the opponent of the paper-money scheme, the friends of which, unfortunately, were powerful enough to procure, by way of revenge, a repeal of the charter in September, 1785. The bank, however, possessed other charters from several States, under which it continued to do business. Confidence, though, was somewhat shaken by the action of the State in repealing the charter, and its stock fell to 6 per cent. below par. As one charter was from the State of Delaware, a removal to Wilmington, New Castle, or some other place in that State was seriously contemplated. Finally, after several efforts to procure a renewal of the charter, the Legislature granted one, though quite unlike the first. In 1789, when the Federal Government was formed, the bank was invited to take on a National charter, but it preferred to remain a State institution. From this period its history will be considered in connection with that of other State banking institutions.*

First United States Bank.—At the time Hamilton recommended the formation of a National bank, there were but three banks existing in the country, their aggregate capital being about \$2,000,000. Their bills were not a legal tender, and only a meager supply of gold and silver existed in the country. The Government daily suffered for the want of more money. So long as the Government could use only gold and silver, and was without a National bank, considerable expense and difficulty would be incurred in transferring money from place to place. A National bank, therefore, was imperatively required that should fulfill these purposes, as well as many others, among which may be mentioned the temporary lending of funds to the Government. The bill for establishing it was debated chiefly on two grounds—its constitutionality and its expediency. Before signing it the President asked for a written opinion from each cabinet officer concerning the first point. The cabinet was equally divided. The capital was fixed at \$10,000,000, for one-fifth of which the Government could subscribe. Its existence was limited to twenty years, and it was forbidden to charge more than 6 per cent. interest. The subscriptions of individuals were payable one-fourth in gold and silver, and three-

* Lewis's *History of the Bank of North America*.

fourths in the 6 per cent. stocks of the Government then bearing interest, or in 3 per cents. at one-half their nominal value. The bank was authorized to establish offices of discount and deposit in the several States, and its notes were to be received in payment of dues to the Government. It was authorized to sell the Government stock received for subscriptions, but not to become a purchaser. Of the capital, \$5,700,000 was reserved for the chief bank, which was to be established at Philadelphia, while the balance, \$4,300,000, was to be divided among the eight branches that were to be established in the principal cities of the Union. The entire capital was immediately subscribed, and applications were made for 4,000 additional shares within two hours after the book for subscriptions was opened. The payment of the Government shares was to be in ten annual installments, but the Secretary of the Treasury found it very difficult to comply with the requirement in respect to the entire payments, because the public demands were so pressing. The Government had not been long in operation when the necessity arose for getting a temporary loan from the bank. Congress authorized the Treasury to make loans for paying the appropriations of the year, and to pledge the duties on imports and tonnage for their repayment. This anticipation of the revenue could not be avoided if the expenditures of the Government were to be paid when they became due. The policy was condemned by Gallatin and others, but there seemed to be no other way of getting the money needed. It was a well-known practice with older Governments.

These loans which were obtained from time to time were of three kinds: (a) They were in anticipation of the taxes for current expenditures. The last of these was made in 1795. (b) The sinking fund commissioners were authorized to borrow money, not exceeding \$1,000,000 annually, in anticipation of the revenues, to pay interest. Each loan of this kind was to be reimbursed within a year from the time of making it. (c) Loans were also founded on the revenues, but the money received was applied for a specific rather than a general purpose. The first loan of this kind was to cover the expense of an Indian war.

Other loans were made subsequently. One was to raise money to ransom American prisoners that had been taken by Algerine corsairs. A more spirited method of getting them would have been a war against Algeria, but at that time it was necessary to sacrifice pride to economy. Loans of various kinds multiplied, until at the end of 1795 they exceeded \$6,000,000. Hamilton and his successor in the Treasury, Wolcott, had urged the increase of taxation as the true remedy for preventing an accumulation of indebtedness, but Congress was very slow in applying it. The bank became impatient. The loan of so large a portion of its funds to the

Government crippled its operations. The expedient proposed by Wolcott was to commute the debt into a funded domestic stock, bearing 6 per cent. interest and irredeemable for such a period as would invite purchasers at par. A bill was enacted with this end in view, but in consequence of delaying taxation the credit of the Government was weakened and the stock could not be sold at par. The directors of the bank saw that it would furnish no relief, and they wrote to the Secretary of the Treasury, setting forth the inefficiency of the action of Congress. The plan of relief was then modified: one-half of the stock was to be sold for less than par, if necessary, and as a final resource the bank-stock belonging to the Government could be sold. The new stock failed to attract purchasers, and after several months had passed, only \$80,000 had been subscribed. Then a portion of the bank-stock was sold. Of the 5,000 shares owned by the Government, 2,160 were sold at 25 per cent. advance. Hamilton condemned this expedient in the strongest terms. After that period the Government made more strenuous efforts to reduce its indebtedness to the bank, but several years elapsed before it was finally discharged.

Opposition to the bank continued from the beginning to the end of its existence. When Jefferson came into office he wrote to Gallatin, who was serving as Secretary of the Treasury, that he should make a judicious distribution of his favors among all the banks, since the stock of the United States Bank was held largely by foreigners, and, "were the Bank of the United States to swallow up the others, and monopolize the whole banking business of the United States—which the demands we furnish them with tend shortly to favor—we might, on a misunderstanding with a foreign power, be immensely embarrassed by any disaffection in that bank." But Gallatin did not share the feelings of his chief. When the territory of Louisiana was purchased in 1805, Gallatin was desirous of establishing a branch bank at New Orleans. He considered the step of the highest importance, but the President vehemently opposed such an extension of the bank. He wrote to Gallatin: "This institution is one of the most deadly hostility existing against the principles and form of our Constitution. What an obstruction could not this Bank of United States, with all its branch banks, be in time of war!" These arguments fell lightly on Gallatin, Jefferson yielded, and the branch was authorized.

[TO BE CONTINUED.]

INSOLVENT BANK—DEPOSITOR'S PREFERENCE.

SUPREME COURT OF NEBRASKA.

Wilson v. Coburn.

The fact that a bank is insolvent, within the knowledge of its officers, and receives the money of a depositor under circumstances which amount to a fraud upon him, is not of itself sufficient to entitle the latter to preference from the funds of the bank in the hands of an assignee. He may follow his money while he can trace and distinguish it, or the proceeds thereof, but not after it has passed into the hands of the assignee mingled with the other funds of the bank.

POST, J.—The plaintiff filed with the county judge of Douglas County a claim against the Bank of Omaha, which had previously made an assignment for the benefit of its creditors to the defendant in error, sheriff of said county. From the claim or petition aforesaid it appears that there is due to plaintiff in error the sum of \$107.53, and interest, being a balance deposited in said bank prior to the assignment thereof. It is further alleged that said bank was insolvent at the time it received the deposit aforesaid, within the knowledge of all of its officers, and that the latter received said money with the intention of cheating and defrauding the plaintiff in error. He asks to be declared by the court a preferred creditor, and for an order for payment in full out of any funds in the hands of the defendant in error, as assignee of said bank.

Under the allegations of the petition, is the claimant entitled to preference over other creditors of the insolvent bank, or, in other words, does the petition state a cause of action? We think not. The rule on the subject is stated by Judge Story, thus: "The right to follow the trust fund ceases only when means of ascertainment fail, which, of course, is the case when the subject-matter is turned into money, and mixed and confounded in a general mass of property of the same description." (Story, Eq. Jur. § 1,259.) That the foregoing rule is applicable to cases like this, where the funds in controversy are the assets of an insolvent bank, is well settled. In *Bank v. Smith*, 21 Blatchf. 275, 15 Fed. Rep. 858, Judge Wallace, after remarking that the property comes into the hands of the receiver as a trust fund for the benefit of all of the creditors, proceeds as follows: "It would be a violation of law upon his part to set aside any part of these assets for the complainant, unless his portion is capable of identification, or being definitely traced and distinguished," etc. Counsel for plaintiff in error rely with confidence upon the case of *Cragie v. Hadley*, 99 N. Y. 131, 1 N. E. Rep. 537. We do not, however, regard that case as authority. That was an action against the defendants for the proceeds of a draft received for collection from an insolvent bank. The fund, therefore, was easily distinguishable from the other assets of the bank. It is evident, from subsequent cases in New York, that that case has never been regarded as an authority in cases like this, where the money of the claimant has been mingled with the other funds of the bank, and cannot be distinguished from other assets in the hands of the assignee or receiver. In *re North River Bank* (Sup.), 14 N. Y. Supp. 261, is a case directly in point. The Supreme Court therein, after showing that *Cragie v. Hadley* was not authority, for the reason given above, hold that the petitioner was not entitled to preference, although he deposited his money on the forenoon of the day on which the bank closed its doors, on the assurance that it was solvent, upon the ground that it did not appear that the money had not gone into the general funds of the bank, and because he had failed to

impress upon the funds in the hands of the receiver the character of a trust. In *Atkinson v. Printing Co.*, 114 N.Y. 168, 21 N.E. Rep. 178, the same distinction is made, and the court say: "The fact that the defendant became a creditor of the insolvent bank through the fraud of its officers, and the bank a trustee *ex maleficio*, gave the defendant no right to preference over the creditors unless it could trace and recover its property." And such is the law as recognized from the earliest history by the Courts of Chancery. (*Ryall v. Rolle*, 1 Atk. 172; Thompson's Appeal, 22 Pa. St. 16; Perry Trusts, § 128.) The judgment of the district court is affirmed. The other judges concur.—*Northwestern Reporter*.

OVERDRAFTS—UNAUTHORIZED PAYMENTS.

SUPREME COURT OF MICHIGAN.

Gladstone Exchange National Bank v. Keating, et al.

In an action by a bank to recover for overdrafts, though one draft received from defendants by plaintiff was not accompanied by the usual deposit check, deposit checks which accompanied other deposits are competent evidence of the amount received from defendants.

Where the proceeds of a check cashed by plaintiff were used for defendants' benefit with their knowledge, they are estopped to deny liability thereon when not paid by the drawer, though they did not indorse it.

In an action by a bank for overdrafts paid on defendants' checks, where it appeared that plaintiff was instructed by defendants to cash no checks not countersigned by their bookkeeper, and that the checks for which recovery is sought were not so countersigned, the burden is on plaintiff to show that defendants received the benefit of the amount so drawn. Grant, J., dissenting.

The fact that defendants had an opportunity of examining plaintiff's account against them does not estop them to rely on the violation of their instruction as a defense. Grant, J., dissenting.

MONTGOMERY, J.—I think the judgment in this case should be reversed. It appears that the two defendants joined in a letter to the plaintiff, instructing it to pay no checks on the part of defendants unless they were countersigned by Robert C. Sheehan, son of the defendant Sheehan, and the bookkeeper of the firm. Notwithstanding this direction, the plaintiff paid 22 checks, for the amount of which defendants deny liability. There was no showing by the plaintiff that the defendants derived any benefit from the moneys received upon these checks. They rest their claim to liability upon the contract implied from the signing of the checks in the firm name. It is suggested that the burden of proof would rest upon the defendants to show that the moneys did not go to the benefit of the firm. In my judgment, this is not the correct rule in such a case. The plaintiff seeks to recover, notwithstanding it appears affirmatively that the money was paid out by it upon checks which were drawn without the requisite authority of the firm. There can be no doubt about the power of either member of a copartnership to protect himself by stipulating that the other member shall not have the authority to bind the firm by signing checks, if notice is given to the bank which then is the depository of the firm; and when, on the affirmative showing of the bank, as in this case, it appears that the bank has disregarded the notice, how can it be said that a *prima facie* case is shown, without further showing that some benefit was derived by the firm from the payment of the money? It is also suggested that the defendants are estopped from relying upon this defense, for the reason that there was an opportunity for an examination of the account and checks, and that the defendants should have exam-

ined these checks, and notified the plaintiff of the excess of authority and of the invalidity of the checks; and the case of *Bank v. Morgan*, 117 U. S. 96, 6 Sup. Ct. Rep. 657, is cited to sustain this position. But in the case cited the party drawing the check had *prima facie* authority to draw it; the bank acted in good faith in making the payment; the check passed back into the hands of the drawer, with opportunity to examine and observe the error; it appeared charged in the account of the drawer. Under these circumstances, it was held that there was a duty to notify the bank, in order that it might protect itself. But what notice was requisite in this case to enable the bank to protect itself? The moment it paid one of these checks its officers knew from direct notification that they were violating the express instructions and directions of defendants. Why notify them of what they already knew? If either party was entitled to notice of this transaction from the other, it was certainly the two defendants, as individuals, who were entitled to notice from the bank that some person connected with the firm was assuming to violate the express instructions of the firm, of which the bank as well as the defendants were apprised.—*Northwestern Reporter*.

PAYMENT BY NOTE.

SUPREME COURT OF MINNESOTA.

Thomson-Houston Electric Company v. Palmer, et al.

The question whether the giving and receiving of the promissory note of the debtor for the amount of an antecedent debt operates as payment and extinguishment of the original debt is one that goes to the force and effect of the contract itself, and is governed by the law of the place of the contract.

MITCHELL, J.—This action was brought on an account for goods, wares, and merchandise sold and delivered in Chicago, Ill., by plaintiff to defendant and one Thompson. Thompson was a non-resident, and was not served with process, and never appeared, so that the action proceeded against Palmer alone. His principal defense was that the account had been paid by promissory notes executed by Thompson and indorsed by himself, and which he alleged plaintiff received and accepted as payment of the account. The giving and receiving of the notes for the amount of the account (a pre-existing debt) was not disputed. Although casually signed in Missouri, the notes were delivered and were payable in Illinois; and it is not questioned but that they were Illinois contracts, and, as respects their nature and obligatory force, governed by the laws of that State; the only contention being as to whether the law of that State or that of Minnesota applied in determining whether they operated to pay and extinguish the original debt. On the trial there was no evidence of an express agreement, one way or other, on the subject, and no circumstances (at least none favorable to plaintiff) from which any agreement could be implied, unless it was the mere fact that the notes had been given and received. Upon the motion for a new trial the court below, contrary to his rulings on the trial, held that the law of Illinois applied; and that the law of that State, differing from that of Minnesota, was that, in the absence of any agreement of the parties to the contrary, the giving and receiving of the debtor's promissory note for a pre-existing debt due on simple contract constituted payment and extinguishment of the original debt. As the evidence as to the law of Illinois consisted entirely of the judicial opinions of that State, the question of their construction and effect was one for the court alone. (*Di Sora v. Philipps*, 10 H. L. Cas. 624; *Kline v. Baker*, 99 Mass. 255.)—*Northwestern Reporter*.

GIFT OF BANK DEPOSIT.

1. *Gift Defined.*—Every transfer of property, where there is no consideration passes between the parties—nothing is paid or agreed to be paid, the transaction is a gift and not a sale.* Whether a transfer of personal property is a sale or a gift is always a question of fact depending upon the intention of the parties to the transfer.† Thus it has been said that the transfer of bank stock by a father to an adult son, who had assisted him in the transaction of his business for several years, for which no charge was made, is a gift and not a sale.‡ Gifts are of two kinds or classes, to wit: Those that are made to take effect presently, and are absolute and irrevocable; and these that are designed to take effect in the future, on the death of the donor, either from a present disease or an impending peril, and are revocable on the safe passage of the peril or a recovery from the sickness.

2. *Definition of a Donatio Inter Vivos.*—A gift *inter vivos* is an immediate, voluntary, and gratuitous transfer of property by one person to another.‡ To constitute a valid gift of this character there must be a subject capable of delivery,§ and an actual delivery at the time of the thing given;¶ that is, the donor must consummate his intention, and carrying it into effect, by doing those acts which the law requires to be done, to divest the donor and invest the donee with the right of property.** There must not only be actual delivery of the thing given, or something equivalent thereto,†† but a parting with the present and future dominion over the property.

3. *Deposit in Trust.*—Money deposited in a savings bank by one in trust for another has been held to raise a presumption of an intention to give, and that upon the death of the depositor the money belongs to the beneficiary.‡‡ In such a case the donee of the money deposited may recover the amount against the bank, where, after notice of the donee's rights, the bank pays the deposit to the administrator of the donor.‡‡

* See Kerr's Benjamin on Sales, Vol. I., p. 2, § 4.

† See *Keiser v. State*, 82 Ind. 379; *French v. Smith*, 58 N. H. 323.

‡ *Van Deusen v. Rowley*, 4 Seld. (N. Y.) 358.

§ See *Stevens' Estate*, 83 Cal. 322, 23 Pac. Rep. 379; *Flanders v. Bradley*, 45 Ohio St. 108, 12 N. E. Rep. 321; 9 West. Rep. 418.

¶ See *Egerton's Exrs. v. Egerton*, 2 Gr. (N. J.) 419; *Bogan v. Finlay*, 19 La. Ann. 94. Compare *Whiting v. Barrett*, 7 Lans. (N. Y.) 107, where it is said that the owner of personal property may make a gift thereof, although such property was not *in esse* at the time of the alleged gift.

‡‡ See *Bentley v. Cameron*, 78 Atl. Rep. 72; *Connor v. Trawick's Admr.*, 37 Ala. 289; *Poullain v. Poullain*, 79 Ga. 11, 4 S. E. Rep. 81; *People v. Johnson*, 14 Ill. 342; *Daubenspreck v. Briggs*, 71 Ind. 255; *Peters v. Fort Madison Constr. Co.*, 72 Iowa, 405, 34 N. W. Rep. 180; *Queyrouze v. Thibodeaux*, 30 La. Ann., pt. 11, p. 1114; *Hanson v. Millett*, 55 Me. 184; *Snowden v. Reid*, 67 Md. 130, 10 Atl. Rep. 175; 8 Cent. Rep. 886; *Nasse v. Thomas*, 39 Mo. App. 178; *Hamilton v. Clark*, 25 Mo. App. 428; *Blasdel v. Lock*, 52 N. H. 238; *Hamer v. Sidway*, 57 Hun. (N. Y.) 228, 42 Alb. L. J. 248; 32 N. Y. St. Rep. 521; 11 N. Y. Supp. 182; *Gungiac v. Arden*, 10 Johns. (N. Y.) 293; *Davis v. Boyd*, 6 Jones (N. C. L.), 249; *Mechling's App.*, 2 Grant Cas. (Pa.) 157; *Case v. Dennison*, 9 R. I. 88; *Peeler v. Guilkey*, 27 Tex. 355; *Frost v. Frost*, 33 Vt. 639; *Miller v. McMecher*, 33 W. Va. 179, 10 S. E. Rep. 378; 6 L. R. A. 515; *Board v. Callihan*, 33 W. Va. 209, 10 S. E. Rep. 382; *Cochrane v. Moore*, L. R. 25 Q. B. Div. 57, 42 Alb. L. J. 373, 53 L. T. Rep. (N. S.) 153.

** *Hunter v. Hunter*, 19 Barb. (N. Y.) 631.

†† *Id.*

‡‡ *Fowler v. Bowery Savings Bank*, 47 Hun. (N. Y.) 399, 14 N. Y. St. Rep. 515. This case was reversed on other grounds in 113 N. Y. 450, 21 N. E. Rep. 172; 39 Alb. L. J. 468; 23 N. Y. St. Rep. 130; *Scott v. Harbeck*, 49 Hun. (N. Y.) 292, 17 N. Y. St. Rep. 600.

‡‡ *Walsh v. Bowery Savings Bank*, 28 N. Y. St. Rep. 402.

Thus in a case where the pass-book of a savings bank showed a deposit "in account with John White for Elizabeth White," it was held that after the death of both parties, the representatives of the latter have a right to the money.* In the case of *Miner v. Rogers*,† where a widow, with a considerable estate and no children, deposited in a savings bank \$250 in her own name as trustee for W., a boy of thirteen years old, whose parents were near neighbors and friends, and who was accustomed to do errands for her, being almost daily at her home for the purpose, she often giving him presents in return. Shortly after making the deposit she told the boy's parents that she had deposited that amount in savings bank for their son, and again alluding to it, remarked that W. would need it for his education. She kept the book herself, and two years afterwards drew out a part of the money, subsequently the balance with accumulated interest, signing receipts in her own name, and appropriating the money to her own use. She died four years later, leaving a will in which no allusion was made to the deposit, and nothing was given to W. It was found by the court below that at the time she made the deposit she intended to make a gift of the amount to W., to take effect either then or at some future time. The Appellate Court held that she made a complete gift at the time of the deposit, and could not afterwards revoke it; and that W. could recover the amount from her executor *in assumpsit* for money had and received. But in *Withers v. Weaver*,‡ where there was an assignment of a certificate of deposit in a savings bank, in trust for the son of the assignor, who reserved to himself the right to use the money during his life, and directed the residue to be paid at his death to his son, it was held that there was not such a gift as is required to pass the property for want of an actual delivery, even though the assignee surrendered the certificate and took out a new one during the life of the assignor.

4. *Deposit in Joint Name*.—Where a person deposits money in bank in the name of himself and another, there is not such a parting with all present and future control over it as is required to constitute a valid gift of the amount. Thus it is said in the case of *Schick v. Crote*,|| that where a husband deposits money in a savings bank, upon the account of himself and wife, this is not enough to show a gift to her, § he retaining power to draw the money at will, and, in fact, drawing the interest upon it on several occasions. In *Taylor v. Henry*,¶ H., contemplating a departure from home for the benefit of his health, deposited in a savings bank \$1,850, to the credit of himself and his mother and the survivor of them, subject to the order of either. Afterwards, he went again to the bank, accompanied by his sister, M., and had the name of his mother erased and that of M. substituted; so that the account was made to stand in the books: "14,096, H., M., and the survivor of them, subject to the order of either. 1866, April 20, Rec'd eighteen hundred and fifty dollars—\$1,850." About a month later he drew out \$50, leaving \$1,800. He died within four months, and thereupon M. obtained the bank-book from his trunk, where it was constantly kept, and drew from the bank the entire balance, with the interest thereon. H. left no property other than this money, and by his will made sundry pecuniary bequests. On a bill filed against M. and her husband to recover the money drawn from

* *Flower v. Bowery Savings Bank*, 113 N. Y. 450, 21 N. E. Rep. 172; 23 Abb. N. Cas. (N. Y.) 133; 23 N. Y. St. Rep. 130; 39 Alb. L. J. 468; 4 L. R. A. 145.

† 40 Conn. 512.

‡ 10 Barr (Pa.) 391.

§ 42 N. J. Eq. (15 Stew.) 352, 5 Cent. Rep. 826.

¶ See to same effect *Matser v. Ward*, 2 Redf. (N. Y.) 251.

|| 48 Md. 550.

the bank by her, the court said (1), that if the words "and the survivor of them," had been omitted in making the entry in the bank-book, the entry would not be sufficient evidence of a complete and perfect gift: that those words, when taken in connection with those which preceded and those which followed them in the entry, did not import either a gift *inter vivos* or a gift *causa mortis*; that having by the terms of the entry retained in himself the power to draw out the money, H. did not divest himself with dominion and control over the fund; and (2) that the conclusion to be drawn from all the circumstances was, that the form of the entry in the bank-books was nothing more than a devise by the deceased to subvert his own convenience, and that the sister was solely constituted an agent with power to draw money from the bank to meet some apprehended emergency that might possibly arise in his absence from home.

(a.) *Delivery of Bank-book to Donee.*—It seems, however, that where a deposit is made by a person in the name of himself and another, the delivery of the bank-book to that other will have the effect of completing the gift. Thus, in the case of *Muck v. Mechanics & Farmers' Bank*,* the delivery of a savings bank-book to a person in whose name the deposit was made jointly with the depositor's, with the message, "tell her to keep it for me," is sufficient to establish a gift of the money.

5. *Deposit in the Name of Another.*—Where a person deposits money in the name of another, without the knowledge of that other, intending the amount as a gift, it will not be a perfected gift of the amount, because the knowledge and assent of both parties is essential to a valid gift *inter vivos*.† Thus where a person deposited money belonging to himself in the name of another person, and the latter died without having any knowledge of the fact of the deposit, it was held that the depositor could compel the administrator of the deceased person, in whose name the money was deposited, to draw out the money and pay it over to him.‡ In *Nutt v. Morse*,§ A. deposited money in a savings bank "in trust" for certain relatives, and told them of it, saying that he would control it while he lived, and that, after his death, it was theirs. Just before A. died he told these relatives to take the deposit books after his death and make the transfers. The court held that there was not a perfected gift, and that A.'s administrator was entitled to the money. In the case of *Burton v. Bridgeport Savings Bank*,§ Alden Burton, at his death, left two savings bank deposit books, one in his own name, and the other in that of his son "James Burton, order of Alden Burton." On the last page of each was an order, signed by him, to pay the deposit to James, the order in the former book being absolute, and in the other book directing payment to be made on his death. Deposits and drafts were made after the dates of the orders. Neither of the books was delivered to James, and he had no knowledge of them, and the court held that there was not a valid gift.

(a.) *Deposit in Name of Minor.*—But it is said by the Supreme Court of Maryland in the case of *Gardner v. Merrit*,¶ that when moneys have

* 50 Hun. (N. Y.) 477, 20 N. Y. St. Rep. 247.

† *Alger v. North End Savings Bank*, 146 Mass. 418, 15 N. E. Rep. 916, 5 N. Eng. Rep. 893; *Smith v. Ossipee Valley Ten Cent Savings Bank*, 64 N. H. 228, 9 Atl. Rep. 792; *Orr v. McGregor*, 43 Hun. (N. Y.) 528; *Nutt v. Morse*, 142 Mass. 1; *Burton v. Bridgeport Savings Bank*, 52 Conn. 398, 52 Am. Rep. 602; *Beaver v. Beaver*, 117 N. Y. 421, 22 N. E. Rep. 940; 27 N. Y. St. Rep. 405; 30 Cent. L. J. 198; 6 L. R. A. 403, rev'g 53 Hun. 258; 25 N. Y. St. Rep. 723; 6 N. Y. Sup. 586.

‡ *Orr v. McGregor*, 43 Hun. (N. Y.) 528.

§ 142 Mass. 1.

§ 52 Conn. 398, 52 Am. Rep. 602.

¶ 32 Md. 78.

been deposited in bank, to the credit of a minor, and the depositor, although retaining control of the fund under a regulation of the bank which permits him to do so, declares, at the time of making the deposit, that it is made for the use and benefit of such minor, the gift is perfected, and the money so deposited becomes the property of such minor. And in *Kerrington v. Rauligan*,* where a woman, unmarried, unembarrassed in business, and supported by a pension and the proceeds of her own labor, deposited money in a savings bank "to the credit of E., M. guardian." E. was her niece, and the proof showed that at the time the deposit was made she intended it as a gift to E.; and that she so informed M., the guardian. The Supreme Court of Connecticut held that this constituted an irrevocable gift.

(b) *Retention of Pass-book by Depositor.*—The general rule may be said to be: Money deposited in bank in another's name, without notice to such other party, but subject to the order of the party making such deposit, who retains control of the fund, does not amount to a gift *inter vivos* of the money;† nor is it sufficient evidence of an intention to create a trust.‡ Thus it has been said that the deposit of money in a savings bank in the name of the depositor's son, who does not appear to have known of it, does not show a gift to him, where the depositor retained the pass-book for many years afterwards, dealing with the account as his own, when by the rules of the bank payments could be made to any one presenting the book.¶ In the case of *Pope v. Burlington Savings Bank*,§ B. deposited money in the defendant savings bank in the name of A., but payable to himself, and kept the deposit book. After having withdrawn more than half the money, he directed the treasurer to change the entry by adding the words "payable to B.," "during his life and after his death to A." In his will, previously made, he confirmed all gifts made or to be made to his children. There was no other evidence of any trust. The deposit could not be drawn without the presentation of the book. A. had no knowledge of the transaction. The court held that the deposit could not be sustained as a gift *inter vivos* to A., and also that the bank did not hold the money as trustee for A. In *Sherman v. New Bedford Five Cents Savings Bank*,¶ A. deposited money in a savings bank in B.'s name, but kept the pass-book, in which there was a condition written that the money should be paid to B. after A.'s death. A. drew the interest, and B. had no knowledge of the deposit until after A.'s death. There was not a valid gift, and the court held that A.'s executor, and not B., was entitled to a deposit.

There are cases, however, that seem to support the theory that such a deposit may be a valid gift. In *Scott v. Berkshire County Savings Bank*,** where A. deposited money in B.'s name, without his knowledge, the court said that the question whether there was a gift to B. was one of intent; and that A.'s declarations, although made afterwards, were competent on the question of intent, as were his acts in taking

* 43 Conn. 17.

† See *Sherman v. New Bedford Five Cents Savings Bank*, 138 Mass. 581; *Marcy v. Amazeen*, 61 N. H. 131, 60 Am. Rep. 320; *Beaver v. Beaver*, 117 N. Y. 421; 22 N. E. Rep. 940; 27 N. Y. St. Rep. 405; 30 Cent. L. J. 198; 6 L. R. A. 403, rev'g 53 Hun. (N. Y.) 258, 25 N. Y. St. Rep. 723; 6 N. Y. Supp. 586; *Pope v. Burlington Savings Bank*, 56 Vt. 284, 48 Am. Rep. 781.

‡ *Marcy v. Amazeen*, 61 N. H. 131, 60 Am. Rep. 320. See *Pope v. Burlington Savings Bank*, 56 Vt. 284, 48 Am. Rep. 781.

¶ *Beaver v. Beaver*, 117 N. Y. 421, 22 N. E. Rep. 940; 27 N. Y. St. Rep. 405; 30 Cent. L. J. 198; 6 L. R. A. 403; rev'g 53 Hun. (N. Y.) 258, 25 N. Y. St. Rep. 723; 6 N. Y. Supp. 586.

§ 56 Vt. 248, 48 Am. Rep. 781.

¶ 138 Mass. 431.

** 140 Mass. 157.

orders from B., together with A.'s declarations respecting such acts, preceding and accompanying them. And it was said in *Miller v. Clark*,* that a gift of a deposit in a savings bank is effected where the depositor has new pass-books made in the name of the donees, who are required to sign a signature book in the bank, although the donor retain possession of the books, with the express purpose of preventing the donees from drawing and spending the money during her life, and an entry is made on the books to the effect that the donor alone has power. In the case of *Howard v. Windham County Bank*,† A. deposited a sum of money belonging to himself in a savings bank in the name of B., taking a deposit book in which was an entry that B. had deposited so much money. The treasurer made a similar entry in the bank-book. The court held that the transaction amounted to a complete gift, although the book remained in the possession of A. until the decease of B. In the case of *Barker v. Frye*,‡ F. deposited money in a savings bank, stating at the time that the deposit was for the benefit of a grandchild, a memorandum being entered in the book to the effect that F. retained control of the deposit during her lifetime. Some years afterwards, she stated to the treasurer that she desired to divest herself of her trusteeship, and the memorandum thereof was erased. She told the grandchild of what she had done, and that the book would be delivered to him when they met. He replied, requesting that it might be sent to him. The court held that the gift was executed, and F. having died, that the grandchild was entitled to the book as against one to whom F., after the acts and correspondence above recited, delivered the book, accompanied by a written order to draw the money. This case, however, is distinguishable from all the others in the fact that there was a clear acceptance of the gift by the donee.

(c) *Delivery of Pass-book to Donee*.—Deposit of money in a bank and delivery of the pass-book to, and acceptance by the donee,§ constitutes a completed gift of the amount.¶ Thus in *Crawford's case*,* deposits by a father, made in the presence of his daughter, of money in a bank in her name and for her use, followed by other deposits to her credit entered in a pass-book supplied by the bank and delivered by him to the daughter, were held to constitute a completed present gift of the money deposited.—*Central Law Journal*.

* 40 Fed. Rep. 15.

† 40 Vt. 597.

‡ 75 Me. 29.

§ Asking that the pass-book be sent to him by an absent donee constitutes an acceptance of the donation. (See *Barker v. Frye*, 75 Me. 29.)

¶ *Scott v. Berkshire Co. Sav. Bank*, 140 Mass. 157, 2 N. E. Rep. 925; 1 N. Eng. 221.

¶ 113 N. Y. 560, 21 N. E. Rep. 692; 23 N. Y. St. Rep. 722.

NATIONAL BANKS—INSOLVENCY.—Payment of a certificate of deposit by an insolvent National bank more than six weeks before its suspension, and at a time when it was in apparent good standing, and its insolvency known only by its cashier, who fraudulently concealed it, and when there was no evidence to show an intent on the part of the cashier to give preference to the depositor, is not void, under Rev. St. U. S. § 5,242, providing that all payments by a National bank, made in contemplation of insolvency, with a view of preferring a creditor, are void. [*Hayes v. Beardsley*, N. Y.]

LEGAL MISCELLANY.

CORPORATION—SUBSCRIPTION.—Where a contract between the subscribers to the capital stock of a corporation to be formed and the parties contracting to erect a building for the use of the proposed corporation in carrying on its business is modified in the interest of the subscribers by the consent or acquiescence of the parties interested, and the contract, as modified, is performed in good faith, and the subscribers, acting collectively as a corporation, accept the property without objection from any source, defendant, one of the subscribers, is bound by this action, to which he made no objection until afterwards called on for his subscription. [*Gibbons v. Ellis*, Wis.]

NEGOTIABLE INSTRUMENTS—INDORSER.—A bank drew a draft in favor of one of its customers, and sent it to him by mail. The draft fell into the hands of another person of the same name, and he, by the aid of defendant's indorsement, secured payment on it: *Held*, in an action to recover the amount of the draft by the assignee of the bank which cashed it, that defendant, by his indorsement, became responsible for all former indorsements, and that he was liable. [*Rhodes v. Jenkins*, Colo.]

NEGOTIABLE INSTRUMENTS—NOTE SIGNED IN BLANK.—Where one signs a printed blank form of a note, and delivers it to another, with verbal instructions to purchase certain merchandise, and to fill the blanks in the note and give it in payment, such signer is liable, though the one to whom he delivers the note disregards his instructions, and uses it to borrow money for his own use. [*Geddes v. Blackmore*, Ind.]

USURY—BANKS.—The president of a bank compelled a borrower from the bank to pay him a commission in addition to the interest paid to the bank, and also to buy from him some worthless stocks, as a condition to obtaining the loan; but it did not appear that the bank received the commission or was benefited by the sale of the stock: *Held*, that these transactions did not render the loan usurious. [*Chicago Fireproofing Co. v. Park Nat. Bank*, Ill.]

BANK—COLLECTIONS—TRUSTS.—A general depositor of a bank, who had a balance equal to the amount of his note held by the bank for collection, drew his check on the bank for the amount of his note, which was accepted by the cashier, and charged against his balance, and he received his note as paid. Shortly afterwards the bank failed for a large amount, due principally to its depositors, most of which was owing at the time of this transaction. No money was realized from the check, and no use was made of it to pay off the debts or increase the assets of the bank: *Held*, that the facts were not sufficient to create a trust in favor of the owners of the note. [*Sherwood v. Milford State Bank*, Mich.]

NEGOTIABLE INSTRUMENT—PREMATURE SUIT.—A petition alleged in one count that defendants agreed to buy certain land from him at an agreed price, part of which should be paid two years after the land should be conveyed, and prayed judgment for an unpaid balance of this last payment, while the second count was based on a note given for said deferred payment. The suit was begun before expiration of the two years and before maturity of the note: *Held*, that the action was prematurely brought. [*Heard v. Ritchey*, Mo.]

ASSIGNMENT FOR BENEFIT OF CREDITORS—INSOLVENT BANKS.—The fact that a bank is insolvent, within the knowledge of its officers, and receives the money of a depositor under circumstances which amount to a fraud upon him, is not of itself sufficient to entitle the latter to preference from the funds of the bank in the hands of an assignee. He may follow his money while he can trace and distinguish it, or the proceeds thereof, but not after it has passed into the hands of the assignee mingled with the other funds of the bank. [*Wilson v. Coburn*, Neb.]

TAXES—COLLECTION OF, BY ACTION—CONDITIONS PRECEDENT—BANK STOCK.—(1) Laws of 1882, chapter 410 (Consolidation Act), section 863, which provides that any delinquent personal-property tax duly imposed on any person or corporation in the city and county of New York may be recovered by the receiver of taxes in an action in any court of record within the State, enables the receiver to maintain an action against any one liable to taxation on personal property in the city of New York, and it is not necessary that such person should have been a resident of the city when the taxes were imposed. (2) Since there is nothing in section 863 expressly excluding from its operation non-residents assessed under the Banking Act (Laws 1882, chap. 409) on shares of stock in banks located in the city of New York, they will not be excluded by implication. (3) It is not a condition precedent to the receiver's right to maintain the action under section 863 that a warrant for the collection of the tax by distress and sale of the property be first issued and returned unsatisfied, as required by sections 853, 859, as this condition was intended only to form the basis for a proceeding to punish for contempt under section 857. (4) Section 859, which requires the receiver of taxes to transmit to the attorney for the collection of arrears of personal taxes all cases of personal taxes "on which a warrant to any of the marshals of said city and county has been issued and unsatisfied for a period of sixty days," does not make the issue or return of a warrant a condition precedent to the transmission of a case by the receiver to the attorney, because such section further provides that "all other cases of personal taxes" are to be transmitted in the same way; and section 863 authorizes the commencement of an action for the collection of the tax on the same day that the distress warrant may first be issued. (5) The fact that the Banking Act (Laws 1882, chap. 409), section 312, which subjects bank stock to taxation at the place where the bank is located, provides for the collection of the tax by means of a proceeding *in rem* against the stock itself, or by means of a warrant to be issued against non-residents by the collector or county treasurer, does not exclude an action by the tax receiver under section 863 of the Consolidation Act, as the remedies furnished by the Banking Act, standing alone, are not adequate. [*McLean v. Myers*, N. Y. Court of Appeals.]

PAYMENT—TENDER—ACCEPTANCE.—Payment of a part of a conceded debt in satisfaction of the whole is no liquidation, and even an agreement so to receive it is no consideration, and therefore not binding. But where claim is disputed, a party must accept tender as made, or must reject it; he cannot accept it and prescribe the terms of acceptance. [*Maack v. Schneider*, St. Louis Court of Appeals.]

NEGOTIABLE INSTRUMENT—STIPULATION FOR ATTORNEY'S FEES.—Where a note containing a stipulation for the payment of attorney's fees is placed, after maturity, in the hands of an attorney for collection, the maker cannot escape liability for the attorney's fees by tendering the amount of the note before suit is actually brought. [*Monroe v. Staser*, Ind.]

A BANK NOTE CURRENCY.

The Hon. Charles M. Preston, Superintendent of Banks of the State of New York, in his annual report has considered this subject at considerable length, and his remarks are reproduced here. They are timely, and we are sure will be read with interest and profit by our readers.

According to the Comptroller of the Currency of the United States the paper money in circulation October 31, 1892, was \$1,074,437,684; of which sum only \$172,432,146, about sixteen per cent. of the whole, was National bank notes, and \$25,240,533 of this latter sum had become a liability of the Treasury on "surrender of circulation" by deposits of lawful money for their redemption.

Such surrenders of circulation in the past have effected a contraction of the currency between the maximum of December 26, 1873, of \$341,320,256, and the minimum of October 2, 1890, of \$122,928,084. Subsequent to this latter date there has been a slow but irregular increase of circulation due in part to the increase of the number of National banks and the requirement of National charter, and in some few instances to a calculation of a moderate profit on the issue by the banks. The amount of National bank notes outstanding September 30, 1892, for which the banks were directly liable, was \$147,191,593. There is no evidence, however, that this increase in the volume of the National bank notes will continue to any important extent or, in fact, at all beyond the minimum charter requirement of newly organized banks, the calculation as to the circulation showing but meager profit in the operation and the only really available United States bonds being the four per cents, which are maturing in 1907.

With these facts in view and with an evident disposition in influential quarters to forestall and if possible prohibit an undue expansion of the currency issued directly by the United States, it has been proposed to repeal the tax of ten per cent. on the note issues of State banks, and an effort in the House of Representatives was made in June last to accomplish this, but the repeal was defeated by a vote of one hundred and sixteen to eighty-four. Part of the consequence following appeared in the platform of the Democratic Convention at Chicago, the demand for this repeal being made a conspicuous plank in that platform.

But difficulties exist by way of objections to note issues by State banks. One being opportunities for counterfeiting arising from the lack of uniformity in the kinds and descriptions of paper money issued under the separate authorizations of forty-four different States. And there is no uniformity of sentiment throughout these States regarding what constitutes the best of currency, the laws therefor being as diverse as the laws of marriage and divorce. The statutes of some of the States seem intended to stimulate conservative banking, while others appear to intrench on conservatism in the liberality of their laws. At present only sixteen out of the forty-four States in the Union provide explicitly by statute for the issue of circulating bank notes, to wit: Louisiana, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, New Jersey, New York, Kentucky, Ohio, Pennsylvania, Rhode Island, Tennessee, Vermont, West Virginia and Wisconsin. The States of Connecticut, Delaware, Georgia, Indiana, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, North Carolina, South Carolina, North Dakota, South Dakota and Virginia are without pro-

vision of law for bank note issues, although neither their constitutions nor statutes prohibit such issues. On the other hand, the constitution of each of the States of Arkansas, California, Mississippi, Nevada, Oregon, Texas and Washington expressly forbid the issue of circulating notes by the banks or bankers of the State, and in Alabama, Colorado, Florida, Idaho, Illinois and Michigan, circulation is prohibited by statute.

The proposed repeal by Congress of the ten per cent. tax on State bank circulation would find twenty-eight of the forty-four States of the Union not fully prepared, and sixteen of these very imperfectly equipped to avail themselves of the relief. The State of New York has carefully preserved, by re-enactment and revision, its laws for the issue of circulating notes by banks and bankers, and in effect they provide as follows :

NEW YORK LAWS.

They provide that any bank or individual banker may deposit with and transfer to the Superintendent of Banks any interest-bearing stocks or bonds of the United States or of the State of New York or of any county or incorporated city of this State authorized to be issued by the Legislature, or bonds and mortgages on improved, unincumbered real property of the State of New York worth seventy-five per cent. more than the amount thereon loaned, but no such stocks or bonds shall be received by the Superintendent at a rate above their par value or above their current market value. The Superintendent may thereupon issue to such banks circulating notes in the similitude of bank notes in blank, engraved and printed in the best manner, to guard against counterfeiting, in denominations of one, two, five, ten, twenty, fifty, one hundred, five hundred and one thousand dollars, which shall be countersigned, numbered and registered in the proper books to be provided and kept for that purpose in the office of the Superintendent under his direction, by such person as he shall appoint for that purpose, so that each denomination of such circulating notes shall bear the uniform signature of such register, or one of such registers. Such notes shall also have stamped on their face the words, "secured by the pledge of public stocks."

The aggregate amount of notes thus issued to any bank or individual banker shall not exceed ninety per cent. of the market value, and in no case ninety per cent. of the par value of the stocks and bonds or other securities so deposited with or transferred to the Superintendent by such bank or banker.

Every bank or banker issuing circulating notes, except those whose place of business is in the city of New York, Albany, Brooklyn or Troy, and who have not already made such an appointment, shall forthwith appoint in writing an agent who shall keep an office in the city of New York, Albany or Troy, for the redemption of all circulating notes issued by it or him which shall be presented to such agent for payment or redemption.

Any bank or individual banker, or other person, may be such agent, and in case of the neglect or omission of any such bank or banker to appoint such agent the Superintendent shall appoint him, and if the agent of any bank or banker shall neglect or refuse to redeem its notes on demand, such bank or banker shall pay to the person making such demand interest on such notes at the rate of twenty per cent. per annum, and if such redemption and payment is not made within twenty days from the time when first demanded, such bank or individual banker may be proceeded against by the Superintendent of Banks in the same manner and with the like effect as though insolvent. And the Super-

intendent may also give notice in a State paper that all the circulating notes issued by such bank or banker will be redeemed out of the trust funds in his hands for that purpose, and he is authorized to apply such funds to the payment *pro rata* of all circulating notes put in circulation by said bank or banker.

That the foregoing ought in some particulars to be amended may be conceded, and amendments will suggest themselves in practice if the opportunity for the practice occur. It is at least questionable whether mortgages on real estate should be included among the securities pledged for the issue of circulating notes. It is also to be questioned whether safety demands a greater security for the note-holder than the par value of readily marketable personal securities.

The old "Safety Fund Law of New York" is frequently alluded to and has been deemed the basis of the suggestion of the National Bank Act. Its provisions and operation seem, therefore, worthy of presentation briefly, and the record may be valuable for future consideration, as follows :

OLD SAFETY FUND LAW OF NEW YORK.

In 1829 the Legislature of this State passed an act entitled, "An Act to create a fund for the benefit of certain moneyed corporations and for other purposes," popularly known as the Safety Fund Act. The act provided that every moneyed corporation having banking powers thereafter to be created, whose charters were renewed or extended, should pay to the Treasurer of the State of New York annually one-half of one per cent. upon its capital stock until the fund in his hands, created by this act, should be equal to three per cent. of the aggregate capital of all of the banks of the State. This fund was to be known as the Bank Fund, and was to be appropriated and applied only to the payment of such portion of the debts exclusive of the capital stock of any of the said corporations which should become insolvent as remained after applying the property and effects of such insolvent corporations ; and whenever, by reason of failures, the sum so applied should fall below the required three per cent., the banks should again pay at the rate of one-half of one per cent. annually until the fund became intact or again equaled three per cent. At that time banks were chartered only by the Legislature and all the banks of the State were subject to the provisions of this Bank Fund Act.

In May, 1837, a panic ensued which caused a suspension of specie payment in New York City and resulted in the failure of a number of the banks of the State, and the Safety Fund became bankrupt. Prior to 1848 the amount contributed to this fund was but a trifle more than seventy-five per cent of the debts of eleven banks which had failed, belonging to the Safety Fund system, and the deficiency was made good by the issue of six per cent. stock by the State, it being agreed that the State should be paid by the then existing banks.

Comptroller Flagg, in his report to the Legislature in January, 1846 (he being the State officer to whom banks at that time reported), stated that "if the Bank Fund Act of 1829 had provided only for the redemption of circulating notes, as is the case with the act for free banking, all the notes of the Safety Fund banks, which have failed, would have been paid at par by the contributions made to the Safety Fund from 1831 to 1845, and if the present plan of registering notes had also been in operation, the result would have been still more favorable, as fraudulent issues have been redeemed from the Safety Fund to the amount of several hundred thousand dollars."

Possibly by the adoption by Congress of a system of a "Safety Fund"

similar to that formerly operating in this State, the assurance of redemption for the notes of insolvent banks might be made to rest upon a small percentage of the aggregate capital of all the National banks; so that as the capital of National banks increased from time to time the "Safety Fund" would increase in like proportion. Financiers thought to be well informed have pronounced this proposal as worthy of careful consideration. We would not be understood as suggesting that it is perfect, or vouch for it as in every respect acceptable. But we think it merits a fair consideration in connection with suggestions for the future.

Owing to the stress of civil war the market for the Government bonds had to be enlarged, and the National banking system was inaugurated. This system provided for the issuing of circulating notes upon the hypothecation of Government bonds with the Treasurer of the United States. These bonds were obtainable at a price on which the net income was a yield of a liberal rate of interest. The issue of notes at ninety per cent. of the face of the bonds purchased and hypothecated was a profitable operation even after the payment of the tax on the notes outstanding; but now, after thirty years, with a high premium in the market for the single remaining description of bonds applicable to such issue, and these bonds maturing in 1907, the system of note issues is becoming only barely profitable and is necessarily about to vanish with the extinguishment of the public debt.

If Congress shall neglect the aforesaid demand of the Democratic platform and refuse the repeal of the ten per cent. tax on State bank note issues, it then becomes almost immediately important to determine what shall succeed the National bank note as now provided for, if bank notes are to be a part of the circulating medium of the United States hereafter.

There is a popular impression that because National banks are of governmental origin and are supervised by a central power under a law uniform throughout the whole country, greater safety and solidity are thereby insured, but the Comptroller of the Currency in his last annual report to Congress in making a comparative statement of the percentage of failures between National and State banks, seems to be unable to make the result favorable to the National banks without including under the head of State banks; also savings banks, private banks and bankers, and loan and trust companies. It is a well-known fact that private banks and bankers, and in many of the States loan and trust companies, including mortgage and investment companies which are classified under the head of loan and trust companies, are under no supervision whatever. The comparison, therefore, should be disregarded as unfair and unjust.

From some knowledge of the subject I venture to say that if a comparison is made between the National banks and the incorporated State banks only of the various States of the Union, the showing will not be unfavorable to the State banks.

Suppose Congress should so amend the National banking act as to leave the supervision and examination of the National banks to their respective States and continue the Bureau of the Comptroller of the Currency simply for the purpose of issuing circulating notes to any bank, upon its depositing with the Comptroller of the bonds of the United States or of any State of the Union which has not defaulted in the payment of its obligations within ten years, or the bonds of any city of any State of the United States (which shall not have defaulted as aforesaid) having 50,000 inhabitants or over and whose bonded indebtedness does not exceed seven per cent. of its assessed valuation, and providing that notes should be issued to the par value of these bonds,

would our banking system for practical purposes be less secure, and would it not be more elastic and much better suited to the needs of the people at the present time?

THE NEW BANK LAW OF NORTH CAROLINA.

SEC. 55. CIRCULATING NOTES.—Any bank or individual banker may deposit with and transfer to the Comptroller any lawful money of the United States or any interest-bearing stocks or bonds of the United States or of the State of North Carolina, or coupon notes to run for not less than five years, secured by mortgage on productive unencumbered real property in the State of North Carolina assessed for taxation one hundred per cent. more than the amount of such subscription: *Provided*, that no such stock or bond shall be received by the Comptroller at a rate above their par value, or whose current market value is not equal to par: *And provided further*, that not more than one-third of the notes issued to said bank shall be based on real estate.

SEC. 56. Upon the deposit with and transfer to the Comptroller of such stocks, bonds and mortgage notes as provided in section 55, the Comptroller may thereupon issue to such bank circulating notes in the similitude of bank notes in blank, countersigned, numbered and registered as hereinafter provided. The aggregate amount of notes thus issued to any bank or individual banker shall not exceed the paid-up capital of said bank or individual banker, and shall not exceed the par value of the stock, bonds or other securities so deposited with or transferred to the Comptroller by such bank or individual banker. The securities so deposited with and transferred to the Comptroller shall be held by him as security for such circulating notes, and exclusively for their redemption and until the same are paid. The plates, dies and materials procured by the Comptroller for printing and making such circulating notes shall remain in his custody and under his direction.

SEC. 57. In order to furnish suitable notes for circulation, the Comptroller shall cause to be engraved in such a manner as is best calculated to prevent counterfeiting or alteration, and have printed therefrom and numbered such quantities of circulating notes in blank, in denominations of one, three, five, twenty, fifty, one hundred and five hundred dollars, as may be required to supply the bank and bankers entitled to receive the same. Such notes shall express upon their face that the payment in lawful money of these is guaranteed by the State of North Carolina by the written or engraved signature of the Treasurer and Comptroller; shall bear the imprint of the seal and coat of arms of the State, and a vignette, to be adopted for each denomination of notes by the Comptroller; and shall also express upon their face the promise of the bank or individual banker to pay, on demand, in lawful money of the United States, the amount of the face value of each note. They shall also bear the genuine signature of the president or vice-president and cashier of the bank receiving the same, and they shall bear such other devices and such other statements and shall be in such form and size as the Comptroller may by regulations adopt.

SEC. 58. After any bank receiving circulating notes under the provisions of this act has caused its promise to pay such notes on demand in the lawful money of the United States, to be signed by the president or vice-president and cashier, on presentation at its place of business, such bank may issue and circulate such notes as money, and the same shall

be received at par in all parts of the State in payment of taxes, excises, costs, fines and penalties in criminal actions, and for all other debts or demands owing to the State; and for all salaries, payments or demands owing by the State, except payment on the principal and interest of its public debt. And the faith of the State of North Carolina is hereby solemnly pledged to the payment and redemption of the circulating notes provided for in this act, in the lawful money of the United States, and no bank or individual banker shall issue any other notes to circulate as money than such as are provided for by this chapter.

SEC. 59. CIRCULATING NOTES OF INDIVIDUAL BANKER.—The circulating notes delivered to an individual banker shall express only the individual liability of the banker and shall be signed by him only, and not by any attorney or agent. Any banker or person acting as his attorney or agent, who shall violate any provision of this section, shall forfeit to the people of the State one hundred dollars, for each offense, to be collected and paid in into the treasury to defray the general expenses of the banking department.

The Comptroller shall not issue circulating notes to any individual banker, designating such individual as a bank, unless as an addition to his own proper name. If such individual shall have partners in the business of banking at the time of commencing the same, such fact shall be shown by the words "and company," to be added to his own proper name upon every note issued to him or them from the banking department.

If it shall appear, by the return of any individual banker, or by the report of any person designated by the Comptroller, that any other person is interested with such individual banker, directly or indirectly, in the securities deposited by him for the purpose of obtaining circulating notes, or in the business of circulating such notes, or in the benefits or advantages thereof, the Comptroller shall withhold all interest and dividends on the securities deposited with him by such banker, and all circulating notes from such banker, until he shall have filed in the banking department a certificate signed and acknowledged by every person so returned, or reported, as interested in such securities, stating that such person is interested with such individual banker in the circulating notes obtained, or to be obtained by him, and in the benefits and advantages of circulating the same. Such certificate shall be evidence that the person signing and acknowledging the same is a general partner with such banker in the business of banking, and as such is liable with him individually for all the debts and obligations created or made by such individual banker in his business.

SEC. 60. BANKS TO RECEIVE NOTES OF OTHER BANKS.—Every bank and individual banker formed or existing under this act shall take and receive at par for any debt or liability to it, any and all notes and bills issued by the Comptroller to any lawfully organized bank or individual banker.

SEC. 61. EXECUTION ON JUDGMENT; WHEN ENJOINED.—It shall be lawful for any defendant in any suit hereinafter brought in any Court in this State, before issue joined in said action, to make tender of the debt, claim or money due in the circulating notes of any bank or individual banker formed or existing under this act; and should the plaintiff decline to receive said notes in payment and satisfaction of said debt, claim or money due, he shall not recover any costs, fees or disbursements whatever against the defendant in such action.

And whenever the defendant in any judgment obtained in any action in the courts of this State shall tender payment of the same in said notes, and such payment is declined, it shall be lawful for the Court,

upon petition of said defendant, alleging the fact that said plaintiff refuses to accept said notes in payment and satisfaction of said judgment, and upon satisfactory proof to the court that said allegation is true, to stay execution upon said judgment for the period of two years from the filing of said petition.

SEC. 62. REDEMPTION AGENCY.—Every bank or individual banker issuing circulating notes shall forthwith appoint, in writing, an agent who shall keep an office in the city of Raleigh, for the redemption of all circulating notes issued by it or him, which shall be presented to such agent for payment or redemption, and such appointment shall be delivered to the Comptroller forthwith and filed in his office. Any bank or individual banker or other person may be such agent. If any such bank or banker shall omit to appoint such agent forthwith, the Comptroller shall appoint such agent for such bank or banker and file such appointment in his office.

The Comptroller shall, immediately after such appointment and filing thereof in his office, publish, during such time as he may deem proper, a list of such agents in at least two daily newspapers in the city of Raleigh.

If the agent of any bank or banker shall neglect or refuse to redeem its notes on demand, such bank or banker shall pay to the person making such demand interest on such notes at the rate of twenty-four per cent. per annum. If such redemption and payment of interest is not made at such redemption office within twenty days from the time when first demanded, such bank or individual banker may be proceeded against by the Comptroller in the same manner and with the like effect as though insolvent; and such bank or banker shall not issue or put in circulation any bills or notes, and the Comptroller shall also proceed in the manner directed in section sixty-seven of this chapter.

THE USE OF COIN IN PAYMENTS.

Public confidence in the credit of the general Government in this country at the present time is literally worth more than gold, for the percentage of business transactions effected by actual money is so small that in the absence of confidence there is neither gold nor silver enough to take the place of the ordinary forms of business. Speaking on this subject, in a recent interview, Secretary Foster said: "The proportion of coin used in the transactions of the Bank of France in 1886 was but $4\frac{1}{2}$ per cent., bank notes and other instruments of credit forming the other $95\frac{1}{2}$ per cent. The Bank of England, in a daily average business of \$22,000,000, handled one-quarter of 1 per cent. in coin, $87\frac{1}{2}$ per cent. in checks and drafts, and $12\frac{1}{4}$ in bank notes. The balances of the New York Clearing House paid in money in the past 39 years averaged less than 5 per cent. An examination of the business of the National banks on a given day last September showed that less than 10 per cent. of the transactions of that day were represented by cash. Forms of credit do the bulk of the work."

THE GUARANTEE COMPANY OF NORTH AMERICA.

The twentieth annual meeting of the Guarantee Company of North America was held in the new head offices of the company in Montreal. Mr. Edward Rawlings, the vice-president, officiating as chairman.

The directors presented their report of the operations of the company during the past year (1892) and its position at the close of the twentieth year of its existence :

Net amount of risks in force December 31st, 1892.....	\$41,673.096
The net annual premium is.....	\$217,254.69
Total bonds issued to date.....	155,011
Total rejections.....	12,256
Total applications received to date.....	167,267
Of which full records are retained in the company's office.	
Total amount of claims paid and provided for to date.....	\$1,008,907 94

The statement of the company for the past year shows a satisfactory improvement in its financial condition, the assets now amounting to \$772,306.72, against \$748,573.24 last year, the total resources, including uncalled capital, being \$1,136,306.72, against \$1,112,573.00 last year. The usual dividend of 6 per cent. has been paid during the year, and, as usual, is more than provided by the interest on investments, the balance being placed to surplus account, which now amounts to \$296,814.41.

The total amount of claims paid and provided for now exceeds \$1,000,000, which of itself speaks for the reputation of the company in the fulfillment of its obligations.

Competition not only continues, but has considerably increased, and with an increasing recklessness in regard to rates in the race for business by the younger and less experienced companies, whose number have been increased during the present year.

It is to be regretted that where the business is capable of such great extension as in the United States, that the new competitors should exert their energies more towards capturing, at unremunerative rates, the business already entrusted to the older established companies, rather than acting in concert to develop the business at rates which would enable it to be conducted on a sound basis, and with value to their clients and some prospect of profit to themselves. This company, however, has maintained its business connections to a very satisfactory and gratifying extent, at rates which are estimated as commensurate with the services rendered.

During the year, 182 additional corporations in the United States have selected this company for the bonding of their employes, amongst others, three of the largest railroad corporations in that country who had hitherto taken bonds elsewhere.

In view, however, of the present speculative rates of premium offered by other companies and required of this company by certain employers, as a condition of securing or retaining their business, the management have not sought to enter the lists with their competitors in that respect, but have rather given particular and special attention during the past year to the revision of and withdrawal from its books of risks which had become of a doubtful or undesirable nature, both as to classification of the employment and the personal status of the employes, and although other bonds have been readily substituted elsewhere, this company has

cause for congratulation in having by its action averted what might have been some very heavy losses, quite a number of those so withdrawn from, or avoided in the first place, having been subsequently announced through the public press and otherwise as defaulters to considerable amounts.

This is a powerful argument in favor of this company's superiority and thoroughness of investigation, whereby employers are better protected against loss, whether amounting to, or in excess of, the bonds they may require, and far more than compensating the employers for the slight difference in premium requisite to secure such service.

The result of this course will be observed in the favorable proportion of losses in the past year as compared with the preceding year, the losses paid in 1892 being \$77,566.53 against \$110,383.85 in 1891. The extra supervision and investigation necessarily involved an increase in the working expenses, but considerably less in proportion than the saving of loss which has been effected thereby.

The defalcations made public in the press in the United States, in 1892, of amounts of \$1,000 and over, number 489 and sum up \$8,900,000, but, as this does not cover amounts under \$1,000, it is fair to assume that the total is very much larger. Of this number, an examination of the list shows that but five of them were bonded in this company.

Not a few corporations, who at first blush have held that cheap rates are an element of economy, have called upon this company to meet the lower rates offered by its less experienced competitors, but on representation, they have been convinced that a proper protection can only be secured by an adequate premium being paid, and that cheapness and inefficiency not only do not constitute economy but involve danger of disaster, and therefore it is not in the interest of the proprietors of their institutions to rely upon a security which is offered at less cost than the outlay necessary to ensure proper protection.

The United States Guarantee Company, in which this company has a large interest and which is conducted in close alliance with this company, has progressed in a very satisfactory manner, and in addition to paying a dividend of 6 per cent. per annum on its stock, has accumulated a surplus equal to nearly 12 per cent. on its capital over and above all liabilities. The re-insurance of surplus lines between the two companies has worked very satisfactorily, and there is every prospect of each company being of material value to the other in all respects.

The directors had for some time under consideration the opening of an agency in London, England, in view of frequent applications made by British corporations to bond representatives in America, and the prospect of transacting a satisfactory business of re-insurance of the surplus lines of companies on that side of the Atlantic, as well as having a Bureau for more direct and immediate information in regard to persons bonded on this side, whose former employments and antecedents were over there, and for such other purposes as might serve the interests of the company with present or prospective clients.

In September of last year, it was resolved that the managing director should proceed to England for this purpose, and the directors have to report that an agency has been opened in London, under auspices which promise to yield satisfactory results, and—until this shall have been demonstrated—at a limited expense to the company.

EDWARD GOULD.

MAINE'S OLDEST BANKER.

Though not a life-long resident of Portland, yet Mr. Edward Gould is a remarkable man in so many similar ways, that he may be justly styled the fourth of a quartette of monumental citizens, whose lives have ever been an inspiration to others and who, though almost ninety years of age, are still vigorous in health and daily to be seen upon the street and in business and other centers of activity. Edward Gould was born in Gorham, January 27th, 1805, and therefore is eighty-eight years of age. His father kept a harness shop and cultivated a small farm, and the son's early life was one of hard manual labor. He worked in the shop and learned to bind books with leather for the students of the academy at which he received his own education. He prepared for Bowdoin College, but was obliged to abandon the idea and became a clerk in a general store in Gorham, at a salary of \$40 a year and board. In 1823, at the age of 18 years, he came to Portland and entered as a clerk in Atwood & Quinn's wholesale commission store. He soon after entered the employ of a wholesale grocery firm and in 1826, when he was 21 years of age, Mr. Atwood, his first employer, desired him to become a partner in the commission business. He had no money to put into it, and when the firm failed in two years was obliged to sustain half of the liabilities, which he did not finally dispose of for ten years.

After the failure he became bookkeeper for Dana & Smith, at a salary of \$400 a year, which was considered good wages in those days, when Portland was a town of less than 10,000 inhabitants. The Manufacturers and Traders' Bank was established in 1832 and located at the corner of Fore and Plum streets, up-stairs. In 1833 the cashier's place became vacant, and though many bank clerks applied for it, the merchants recommended Mr. Gould, and he has been the cashier of the bank ever since, a period of sixty years, serving under five different presidents. There is no bank cashier in the State with such a record and probably none in the country. There was a New Hampshire man who began before Mr. Gould, but he has died within a few years. There was very little business in those first years of the bank, and the cashier could easily perform the whole of it. One day there was but one check passed in. Depositors then would draw checks for large amounts at a time and pay their bills with the money themselves; now a great number of small checks are drawn, making a great deal more work for the bank officials. The bank was burned out in '66, and afterward moved to Exchange street, where it now is, its name being the National Traders' Bank.

In 1834, Mr. Gould married Althea Chase and six of their children are still living, two sons being now in the bank with their father, who still exercises the full function of cashier.

His home for nearly half a century has been on Pearl street, opposite that of Wm. D. Little, and every day these two aged men walk back and forth to their offices on opposite sides of Exchange street, as opposite also in appearance as possible, for the latter is slender and erect and the former short, stout and bent with his weight of years. In rain or snow or sunshine they prefer to walk and it is only in the most inclement weather that Mr. Gould has taken a carriage. The business has increased so much of late that he remains at the bank through the noon hour, bringing a lunch with him.

Although nearly ninety years of age he rises before six in the morning and takes the entire charge of the furnace. He gets down to the bank about twenty minutes before nine and stays there till between four and five in the afternoon.

He has taken no vacation in the past five years simply because he prefers to work at the bank. During the past year he has not missed a day and only one day the year before, so, of course, he has enjoyed exceptional health. His only sickness was an attack of rheumatism when a boy on a farm in Gorham. Though he sold liquor when a boy in the Gorham store his sympathies were not with the prevailing custom, and he signed the temperance pledge soon after the Portland Temperance Society was formed in 1827. He would allow no liquor served at his marriage, a very "cranky" proceeding, so considered at that time. He never used tobacco in any form.

Outside of his business, Mr. Gould has been chiefly prominent in religious and benevolent circles. He joined the Third Congregational Church in 1831, and was a deacon for several years. After the fire the Society bought the Plymouth Church on Congress street, but in a few years disbanded and Mr. Gould joined the Second Parish Church, where he has ever since been prominent in devotion to its material and spiritual welfare.

When the society rebuilt after the fire they incurred an indebtedness of nearly \$15,000. The interest upon this was a heavy burden, but finally it was all removed in one day. A man named Kimball, who made it a business to travel about and arouse enthusiasm among church people to pay their indebtedness, was engaged and paid \$150 to come here from Boston and address the society. He labored incessantly from morning till late in the evening and so effectually that the money was all subscribed and the church was free of debt. Mr. Gould gave \$1,500. He has in his possession the correspondence between him and the agents of the Baring Brothers of London, which resulted in their presenting to the church the bell, which now hangs in the tower, with suitable inscription. It cost \$900. Many of the members of the church were prominent merchants who dealt largely with the great London bankers through Mr. Gould's bank. The Barings also sent \$2,000 to aid the sufferers from the fire.

Mr. Gould's chief employment and enjoyment outside of his business and church has been found in his garden, of which he takes entire charge. He has the happy faculty of leaving his business in his office and enjoying his work among the plants and shrubs as if nothing else in the world concerned him. To this is doubtless largely due his remarkable vigor and health.

He has been treasurer of the Portland Benevolent Society for twenty-five years, and belongs to other charitable organizations.

He is short and stout in figure and has weighed 210 pounds, but now weighs less than 200. His manner is very straightforward and unaffected. His countenance and whole personality are indicative of the integrity and principle of which his long life and business career are such notable examples.—*Portland Transcript*.

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

A neighbor bank in the same town ships a lot of gold to its New York correspondent for credit, which sends it to a broker and who reports, say out of \$5,000, some \$300 light, and advises the New York correspondent that it lacks \$6.20, which it debits its correspondent, our neighbor here. It then claims it received the gold from us and seeks to charge us with the \$6.20. The facts are that we were exchanging back and forth daily more or less gold in paying balances, and if it received this identical gold from us we may have received it from that bank the day previously or some time formerly, neither discovering any light gold. Now who should stand this loss of \$6.20? The light gold was not returned.

REPLY.—In reply to your inquiry concerning deduction for light weight coin the charge for the actual loss on light weight gold received by the New York correspondent was proper and quite customary. We are informed by a bank officer that he received not long since a shipment of \$250,000 in gold coin in five thousand dollar bags. The deficiency below the limit of tolerance when the coin was lodged in the Sub-Treasury for the issue of gold certificates was \$127. It is fairly well understood that dealers generally do not want coin, whether it be gold or silver. The deposit of coin for gold certificates was, therefore, the natural and usual course. The discovery of the deficiency was inevitable, and the loss ought to fall on the actual owner. He could not unknowingly pass light weight coin in ethics, and in law the limit of tolerance is $\frac{1}{2}$ per cent. from standard weight. It would seem, therefore, that the New York correspondent was simply following the ordinary custom in making the reduction.

A bank received a check from a regular customer and credited the amount to him, less the exchange. On the same day the bank sent the same to the drawee, A., for remittance. The check was received by A., charged to the amount of the drawer, but the amount was not remitted to the sending bank. Soon after charging the same the drawee, A., failed.

First, has the sending bank any claim against A. in preference to any creditors?

Second, has the sending bank any claim for restitution against its customer to whom the amount was credited?

Third, has the customer any claim against the drawer?

REPLY.—As A. was directed to remit the amount, the collection, if made, must be regarded as belonging to the sending bank. Such a direction negatives the idea of establishing the relation of debtor and creditor, and therefore a trust relation exists which it is the duty of the assignee to execute. (For cases see Bolles on Bank Collections, 32-48a.)

The doubtful question is, was the collection completed? The bank was insolvent at the time of receiving the check and charged the amount to the drawer. Was this a payment of the check? In *Welge v. Batty* (11 Ill. App. 461), it was decided in a case involving quite similar facts that the check had been paid. But in *Freeholders of Middlesex Co. v. State Bank* (32 N. J. Eq. 467), a draft which was received by a bank when insolvent

and charged to the drawer was declared to be not paid. In the case in question no payment was made in money, but the amount was charged to the drawer. (See also *Sherwood v. Milford State Bank*, 53 N. W. Rep. 993, also in Legal Miscellany in present number.) Assuming that he had funds sufficient in the bank at the time to pay the check, the payment was complete if the bank had funds to respond to the sending bank's direction. This, of course, is a question of fact.

With respect to the right to recover the amount from the customer of the sending bank, if the check was indorsed in blank and the customer had drawn against the amount, or had the right to do so, then the title of the check was in the sending bank and it cannot recover from the customer only on his indorsement. But if the check was not thus indorsed, and the customer had no right to draw against the amount, then he remained the owner and must stand the loss. (See cases cited in Bank Collections, sections 7, 8, and 9.) On several occasions when a customer has thus indorsed his check and transferred the title to the bank, he has been held liable on his indorsement. (*Metropolitan Nat. Bank v. Loyd*, 90 N. Y. 530; *Daniel on Neg. Inst.* 1,621, note 1.)

With regard to the third question, if the check was paid by charging the same as above mentioned then the drawer is not liable, otherwise it has not been paid and he is liable for the amount.

SAN FRANCISCO, CAL.—One of those financial institutions which has acquired reputation and public confidence by its conservative methods of business is the Donohoe-Kelly Banking Company, which has just removed from the corner of Montgomery and Sacramento streets, where it has been located ever since its first organization in 1864, to its new and roomy quarters on the northeast corner of Montgomery and Sutter. The new location is now near the center of the financial affairs of the city, and the company, desirous of accommodating its patrons and extending its transactions, reluctantly decided to abandon the building where for twenty-nine years it had conducted to its present successful issue the business which it had founded almost three decades before. The Donohoe-Kelly Banking Company occupies an almost unique position among the solid institutions of the State. Among the thinking class of conservative citizens it is the very synonym of all that is safe. These people regard its long and successful career as the best evidence that notwithstanding the exaggerated reputation which California has at times, as a community more speculative than sound, there do exist, and always have existed, such institutions as the Donohoe-Kelly Banking Company, whose career disposes of the impression that conservatism and true financial principles cannot exist in this community. The history of the company dates from the 1st of July, 1864, when the business was established as a private banking house by Joseph A. Donohoe and Eugene Kelly. Later on Mr. John W. Flood and Howard Havens, the latter now vice-president, became identified with the institution. The original firm continued unchanged until March 1, 1891, when it was incorporated under its present title. During its long career of nearly thirty years no financial reverse has ever been experienced by it, and when a flurry in finances has swept over the city or State the old bank was always regarded as an anchor of safety whose credit was impregnable. It is a remarkable fact that in every financial flurry that has occurred on the coast that this bank has always had a greater amount of funds on deposit when the excitement had passed than when the excitement was at its height.

BOOK NOTICES.

The History and Theory of Money. By SIDNEY SHERWOOD, Ph. D., Wharton School of Finance and Economy, University of Pennsylvania. Being a special course of twelve lectures in finance, with syllabus and attendant discussion. Philadelphia: J. B. Lippincott Company, 1893.

The reasons for publishing this book are given in an introduction by Mr. William H. Rhawn, whose name is familiar especially among bankers. It was believed that the officers, clerks and others interested in banks and financial institutions of Philadelphia were desirous of acquiring information on the subjects embraced in these lectures, so an arrangement was made with Mr. Sherwood, one of the instructors in the Wharton School of Finance and Economy, University of Pennsylvania, and they were given as one of a special course of University Extension lectures. The lecturer did not attempt to present anything new in the way of fact or theory, but rather a popular presentation of the more important facts and principles pertaining to the history and theory of money. The lectures were followed by discussions of various length, interest and value. While the lectures are valuable, the discussions also are an important addition. The work contains an excellent syllabus, suggestions for reading, and references to numerous authorities. A brief reference to some of the topics covered by Mr. Sherwood will enable our readers to form a conception of their importance. These are money and civilization; coinage; production of the precious metals and their fluctuations; credit-money; history of the Bank of England and of American money; history of monetary theories; the value and distribution of money; banks and the Government; bimetalism and monetary panics.

A Practical Treatise on the Business of Banking and Commercial Credit. By J. B. DURYEA. Des Moines. Published by the author. 1892.

This book describes how the business of banking is conducted, and also many of the more important legal principles applicable to the business. These are stated in an accurate and untechnical manner. The book is well arranged. Beginning with the origin and utility of banks, chapters on State and private banks, and the principal features of the National bank act follow. After the presentation of these topics the author describes the duties of the board of directors, president, cashier, tellers and other officers. The most noteworthy feature of the book is a popular presentation of the more important principles of law that apply to the business, and we have no hesitation in saying that the author has been successful in his undertaking. The second portion of the work relates to commercial credits; their losses by failures; mercantile agencies and other topics of a kindred character. We are quite sure that this work will prove highly useful to those whom the author had specially in mind.

White's Reference Book of Railroad Securities. Compiled by KENNETH G. WHITE, 80 Broadway, New York. 1893.

This publication contains a full indexed list of railroad bonds classified by systems. The most important facts relating to the various bond issues are so tabulated that they can be readily seen. Under separate headings, on the same page, are entered, with respect to each class of bonds, a general description of them; the amount outstanding; the date when they are due; the rate of interest; the dates at which it is payable, and the medium of payment, whether currency or gold. This is a very successful effort to pack a large amount of information into a small space. It will prove a real time-saver to all who are desirous of seeking ready information concerning railroad securities.

Sterling exchange has ranged during March at from 4.86 @ 4.88 for bankers' sight, and 4.84 @ 4.86½ for 60 days. Paris—France, 5.17½ @ 5.15 for sight, and 5.19¾ @ 5.17½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.86 @ 4.86¼; bankers' sterling, sight, 4.87¾ @ 4.88; cable transfers, 4.88 @ 4.88½. Paris—Bankers', 60 days, 5.18½ @ 5.17½; sight, 5.15½ @ 5.15. Antwerp—Commercial, 60 days, 5.20 @ 5.19¾. Reichmarks (4)—bankers', 60 days, 95 @ 95½; sight, 95½ @ 95½. Guilders—bankers', 60 days, 40 1-16 @ 40¼; sight, 40¼ @ 40 5-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	March 6.	March 13.	March 20.	March 27.
Discounts.....	6 @ 6½ ..	6 @ 8 ..	6 @ 8 ..	6 @ 8 ..
Call Loans.....	6 ..	6 ..	6 @ 4 ..	4 @ 3 ..
Treas. balances, coin.....	\$72,327,926 ..	\$72,948,608 ..	\$73,220,949 ..	\$72,064,503
Do. do currency....	26,464,535 ..	23,429,319 ..	19,977,134 ..	20,037,201

The reports of the New York Clearing-house returns compare as follows:

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
March 4..	\$452,917,400 ..	\$72,353,500 ..	\$49,650,700 ..	\$462,004,300 ..	\$5,640,400 ..	\$6,503,125
" 11..	444,775,500 ..	72,350,100 ..	44,095,500 ..	447,809,300 ..	5,600,700 ..	4,643,275
" 18 ..	439,304,000 ..	72,139,500 ..	44,389,900 ..	441,961,100 ..	5,634,000 ..	6,039,125
" 25..	434,468,300 ..	71,623,700 ..	47,495,600 ..	439,504,400 ..	5,618,500 ..	9,243,200
April 1..	433,524,500 ..	71,622,900 ..	48,872,700 ..	439,330,100 ..	5,624,200 ..	10,663,075

The Boston bank statement is as follows:

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
March 4.....	\$158,873,900 ..	\$10,140,200 ..	\$4,608,300	\$140,552,400	\$5,582,700
" 11.....	156,139,200	10,476,300	4,324,900	135,554,200	5,625,400
" 18.....	154,670,800	10,612,300	4,404,600	134,199,300	5,706,900
" 25.....	154,055,800	10,621,800	3,897,800	131,449,500	5,738,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1893.	Loans.	Reserves.	Deposits.	Circulation.
March 4	\$101,036,000	\$29,179,000	\$102,359,000	\$3,593,000
" 11	101,138,000	30,005,000	102,169,000	3,588,000
" 18	101,289,000	29,413,000	101,911,000	3,605,000
" 25	101,552,000	29,423,000	101,568,000	3,597,000

GOLD AND SILVER COINS IN CIRCULATION.—"An interesting contrast," says *Bradstreet's*, "is presented by the figures showing the extent to which gold and silver coins have gone into circulation. It appears that of a total stock of gold coin amounting to \$559,063,122, \$411,688,068, or nearly three-fourths, were in circulation, while of the total amount of silver dollars coined, viz., \$418,606,985, only \$61,106,388, or but little more than one-seventh, was in circulation, while of the subsidiary silver nearly six-sevenths were in circulation. These figures are an illustration of the proposition that while gold coin goes readily into circulation, silver coin, except in the form of subsidiary coin, does not."

BANKING AND FINANCIAL ITEMS.

GENERAL.

SAVINGS BANK FUNDS.—The funds deposited in the savings banks of France, municipal and national, in 1891 amounted to only \$720,000,000. In 1892, the amount in Massachusetts savings banks was \$528,544,076, while there was \$14,620,275 additional held by co-operative banks. The population of France is about 35,000,000, while Massachusetts has only 2,360,000 inhabitants.

PROFITS OF THE BARING CO.—The name of the old firm of Baring Brothers has brought to the reorganized company splendid business, says an Old Country paper. The company have reported net profits of no less than \$800,000 on its last year's business. A dividend of ten per cent. is declared, and a third of the profits goes to reserve. The Baring Company may attain the standing of the old firm in time, though the business done last year was not one-fifth of the amount transacted by the house before Argentine bonds brought it down.

A RECORD SELDOM EQUALED.—On the 14th of March, the following letter was sent to the directors of the Second National Bank of Brownsville, Pa.: "In consequence of my declining health and being in my eighty seventh year, and having served as president for the last twenty-eight years, I now wish to tender my resignation as director and president. Thanking you for your confidence, I remain yours, J. T. ROGERS."

SOUTH AMERICAN BANKING.—A charter has been issued by the Government of Venezuela for the establishment of a bank which appears to have some features in common with the Sub-Treasury scheme recently agitated in the United States. The charter was issued to M. de Eshiso, in the name of Randolph de Paula, and authorizes him to establish in Europe the National Agricultural and Commercial Bank of Venezuela. Its capital stock is fixed at 50,000,000 bolivars, equivalent to \$6,250,000, in United States money, and the bank shall have the right to issue notes to the amount double its capital stock, the Government of Venezuela guaranteeing 6 per cent. interest upon the amount used in hypothetical operations. The bank may begin operations with 20,000,000 bolivars and shall establish branches at Maracaibo, Valencia, Ciudad Bolivar, Porto Cabello and Barquisimeto. The institution is intended for the benefit of the agricultural element of the country, accommodations being extended to them at the rate of 7 per cent. The Government guarantee is to be secured by the deposit of a portion of the "fomento" (interior) income reserved in the distribution of special incomes of the States, the account to be balanced at the end of the year and the surplus to remain at the disposal of the Government.

BANK OF YUCATAN.—The third annual report and statement of accounts of this institution have been made public. The period under review is the year 1892, during which the business of the bank in the item of discounts and accounts current shows a substantial gain over the preceding year; in foreign exchange, however, the volume of transactions was smaller, owing to the violent fluctuations of the silver market. The board of directors contemplate an increase of the capital of the bank, a step demanded by the constant expansion of its business. They hope with a larger capital to be able to afford cheaper discount facilities to the mercantile community of Yucatan. The capital is now \$700,000 fully paid up. The net profits for 1892 were \$103,113.66.

THE NATIONAL BANK OF MEXICO.—A report has been circulated here that the National Bank of Mexico was about to call in the full amount of its unpaid capital which is \$12,000,000, making a total active capital of \$20,000,000. This statement is, we think, incorrect, and such a measure would probably be unsuccessful, considering the stringency of money here at this moment, and the want of confidence in Europe in silver values. Nevertheless, we cannot help thinking that, *awaiting a proper moment*, the bank, which has now available \$8,000,000 active capital, and nearly \$1,000,000 surplus making \$12,000,000 effective funds, would

take a very proper step in calling in \$4,000,000 or even \$6,000,000 which would give it a disposable fund of \$18,000,000, for the proper employment of which there is ample room now in the country, on account of the increased agricultural, commercial, and industrial activity. The commercial situation here requires more money and such a step is entirely justified both on the ground of the increased usefulness of the bank and also of the larger profits sure to be realized. Under the statutes of incorporation, the board has the power to call in, at any date it may set, all the unpaid capital, which is in fact one of the strongest features of this powerful financial institution.—*Mexican Financier*.

NEW OFFICERS OF THE NATIONAL PARK BANK.—The directors of the National Park Bank held their last regular meeting and elected as vice-presidents Messrs. Stuyvesant Fish, president of the Illinois Central Railroad Company, and Edward E. Poor, of Denny, Poor & Co., of New York, Boston and Chicago. At the same meeting Mr. George S. Hickok, cashier, was elected a director, to succeed the late Arthur Leary, who at the time of his death was vice-president of the bank and its senior director. Mr. Hickok's promotion to the post of junior director has been amply earned by long, faithful and most efficient service in the bank's behalf. His career as a bank officer began with the Park Bank more than thirty years ago, and has continued uninterruptedly ever since. For about twenty-five years he was discount clerk, and he is favorably known to every customer of the bank. The National Park Bank was organized as a State bank on March 31, 1856, and began business on the corner of Beekman street and Theatre alley. It became a National bank in 1865.

EASTERN STATES.

CONNECTICUT.—Mr. Edwin A. Buck, of Willimantic, has been appointed by the Governor for Bank Commissioner for the unexpired term of four years from July 1, 1891. The appointment was much of a surprise, but received with gratification locally. Mr. Buck is a prominent and respected citizen, a leading Democrat and successful business man. In his political career he has been town clerk of Ashford, represented that town in the Legislature in '56, '62, '65, '74 and '75, and Senator in 1876. In 1876 he was elected State Treasurer, served two years and was renominated. The salary of the office is \$2,500 per year.

WILMINGTON, DEL.—George D. Armstrong, formerly cashier of the First National Bank, died on the 8th of March. He was a son of Major Armstrong, who served in the war of 1812. He was born in Christiana Hundred and was about 70 years old. He had resided in this city since he was 16 years of age. In his boyhood he was employed in a grocery store, and in his early manhood he became a merchant. He had grocery stores at Third and Market streets, and on Market street between Second and Third. On account of poor health he had to quit the grocery business. Soon thereafter he was elected city receiver of taxes, and was the first person to hold that office. During the late war, while Postmaster Grimsbaw was on the battlefield, Mr. Armstrong had charge of the Wilmington post-office. After peace had been proclaimed he was elected cashier of the Mechanics' Bank, which was located at Fourth and Market streets, and when it became the First National he was continued in that position. He was cashier at the First National until September, 1891, when failing health compelled him to resign. Since then he had lived retired and most of the time was confined to the house. Like his father he was greatly interested in the church. He was a vestryman of Trinity Church and for many years an officer of the Episcopal diocese of Delaware.

CALAIS, ME.—The Attorney-General has given an opinion to the Secretary of the Treasury in regard to the State bank-note tax. According to this opinion, it appears that the Calais National Bank, of Calais, Me., received from its depositors and others and paid out in the ordinary course of business notes issued by the Bank of St. Stephens, a corporation in the Province of New Brunswick, Canada, issuing its own bills and circulating and paying them out as currency. The question is whether the Bank of Calais is liable for the tax of 10 per cent. on the amount of the notes so circulated, under the provisions of Sections 19 and 20 of the act of February 8, 1875. The Attorney-General cites the declaration of the Supreme Court in *Hollister against Mercantile Institution* (111 U. S. 62), that "it was no

doubt the purpose of Congress in imposing this tax to provide against competition with the established National currency for circulation as money." If the notes deposited under the circumstances described had been those of a bank of the State of Maine there could be no doubt that they would be subject to the tax provided by the statute referred to. "In my opinion," the Attorney-General says, "the fact that the notes were those of a bank chartered by a foreign province or State can make no difference, nor does the fact that they are not redeemable in any way in the United States. Such notes are equally within the prohibition intended by Congress by the legislation referred to."

NEW HAMPSHIRE.—An organization of the New Hampshire Bankers' Association has been perfected by the choice of the following board of officers: President, G. B. Chandler, of Manchester; secretary, A. H. Hale, of Manchester; treasurer, William P. Fiske, of Concord; executive committee, W. F. Thayer, of Concord; Henry Abbott, of Winchester, and O. C. Hatch, of Littleton; vice-presidents, V. C. Gilman, of Nashua; H. M. Plumer, of Rochester; F. D. Hutchins, of Lancaster; F. T. Sawyer, of Milford; George H. Adams, of Plymouth; O. W. Tibbetts, of Laconia; George N. Farwell, of Claremont; George A. Litchfield, of Keene, and M. L. Morrison, of Peterborough.

NEW YORK.—F. O. French, former president of the Manhattan Trust Co., died at his cottage at Tuxedo. Mr. French was born in Chester, N. H., Sept. 12, 1837. His father was B. B. French, who was clerk of the United States House of Representatives in 1845-'47, and Commissioner of Public Buildings under Lincoln. His mother was a daughter of Chief Justice W. M. Richardson, of Chester, N. H. He was prepared for college at Phillips Exeter Academy, and entered the sophomore class at Harvard in 1854. He was graduated with honors in 1857. He was admitted to the bar in 1860. In 1861 he married Ellen, daughter of Amos Tuck, of Exeter, N. H. In September, 1862, he was appointed deputy naval officer of customs, Boston, and in 1863 was appointed deputy collector of the same port. He resigned in 1865 to enter the banking firm of Samuel A. Way, of Boston. In October, 1870, he came to New York to enter the firm of Jay Cooke & Co. After the Cooke failure Mr. French represented the London firm of McCullough & Co. and Melville Evans & Co. in New York. In 1874 he with others secured control of the First National Bank of New York and engineered the funding operations of United States loans. In 1880 he retired from business, but in 1888 accepted the presidency of the Manhattan Trust Co. Death was due to heart failure. The interment was in Washington, D. C.

NEW YORK CITY.—It is the custom of many of the trust companies and large banking houses in this city to provide a noon meal for all of their employes, on their own premises. This is done for two reasons—to save time and to prevent leakages of office secrets. One of the most important trust companies down town has a thoroughly equipped restaurant on the top floor of its building where about 150 men, women, and boys are fed between the hours of 12 M. and 2 P. M. For luncheon purposes the clerks are divided into sections and each section is allowed a certain amount of time. A liberal bill of fare is provided and the men are not restricted in the extent of their orders so long as they keep their gastronomic desires within reasonable bounds. The heads of the departments have separate tables. No person, unless he or she is an employe of the company, is allowed to eat in this restaurant. Nobody is permitted to invite even a friend from out of town to take luncheon with him. The head of a prosperous private banking house in Broad street says that for several years he has followed the practice of keeping his clerks within office limits during business hours, and he believes that it pays well. He feeds them all at noon at his own expense, and is by no means niggardly. The number of his employes is steadily increasing, consequently this item of expense is constantly growing larger. His firm paid out about \$5,000 for employes' luncheons last year.

NEW YORK CITY.—The Corn Exchange Bank is erecting a new banking house. It will be eleven stories high and will be divided into five sections. The first two sections will be a single story, the ground and the first floor; the third will embrace the second, third, fourth and fifth stories; the fourth section will be in the sixth, seventh and eighth stories, and the next section will embrace the upper stories.

The estimated cost is \$500,000 and while the new building is in course of construction the bank will do business at Broad and Beaver streets.

ALBION, N. Y.—Mr. E. Kirke Hart, president of the Orleans County National Bank, is one of the more recent noteworthy deaths in the banking world. He was born in the town of Barre (afterwards Albion), Orleans County, N. Y., on the 8th day of April, 1841. He was the only son of Elizur and Loraine Hart. Mr. Hart's boyhood was spent in Albion, where he received a good common school education. In 1856, when he was 15 years old, he went west on quite an extended trip, and it was while on this trip at Alton, Ill., that he met Louise Sanderson, who afterwards became his wife. In 1861 the Orleans County Bank was opened, and Mr. Hart secured a position as clerk in that institution, which place he occupied until the Orleans County Bank was reorganized under the name of the Orleans County National Bank. He was made cashier of the new institution, and held that position until the death of the president, J. M. Cornell, on July 4, 1890, when he was elected to the presidency, and had held that office ever since. The Orleans County National Bank has prospered under the skillful management of Mr. Hart, and is to-day the main banking institution of Orleans County.

BUFFALO, N. Y.—The new City Bank recently organized by William C. Cornwell has been opened. The capital stock is \$300,000, and the reserve fund \$150,000. The officers are: William C. Cornwell, president; P. H. Griffin, vice-president; Hon. Charles Daniels, second vice-president; Alfred J. Barnes, cashier, formerly chief clerk in Continental National Bank, Chicago. Directors: William C. Cornwell, P. H. Griffin, Hon. Charles Daniels, James Tillinghast, L. C. Hanna, formerly of M. A. Hanna & Co., Cleveland, O., W. J. Mills, T. A. Bissell, R. K. Noye, T. F. Griffin.

TROY, N. Y.—Mr. Samuel O. Gleason, cashier of the Manufacturers' National Bank, has been elected treasurer of the Walter A. Wood Mowing and Reaping Machine Company. Mr. Gleason for the last ten years has been cashier of the Manufacturers' National Bank, and under his able management the deposits have increased from \$900,000 to \$2,200,000. He was also County Treasurer of Rensselaer County for fourteen years, from the incumbency of Roger O. Flood to that of A. L. Hotchkin. The adding of the financial business of the Walter A. Wood Company will make the Manufacturers' National Bank one of the most important centers of financial transactions in this section of the State. Mr. Gleason's fellow-townsmen rejoice in every new manifestation of the confidence which is reposed in him as a financial officer of extraordinary sagacity and prudence, as well as an honorable gentleman and genial friend. In addition to the positions already mentioned with which he has been honored, Mr. Gleason is president of the board of water commissioners of this city.—*Troy Daily Times*.

PENNSYLVANIA.—At a meeting of the Associated Bankers of Eastern Pennsylvania held at Reading, in the absence of the president, the first vice-president, Mr. George Shannon, of Norristown, presided. The secretary, Mr. Frank M. Horn, of Catasauqua, and the treasurer, Mr. Calvin D. Moser, of Reading, were also present. The organization has been established for the mutual advantage and protection of the banks interested. One of the questions discussed was the establishment of a National Reserve bank, the stock to be owned by all the banks in the association. The general trend of sentiment was not favorable to the project. Under present conditions the banks must have fifteen per cent. of all moneys kept in reserve, nine per cent. deposited in a New York or Philadelphia bank and the balance as cash on hand. The proposition is to have twenty-five per cent. as a central reserve. Another question was the establishment of a Clearing House for the country banks. This is intended as a settlement place between the banks and relieve the messengers of the work of calling at every bank and making the daily settlement. Another question discussed was relief from the eight per cent. State tax. The executive committee also reported in favor of the abolition of the three days of grace, which is an ancient custom and not applicable to these days of rapid transit and speedy communication. The officers of the association are: President, Theodore Strong, Pittston; vice-president, George Shannon, Norristown; secretary, Frank M. Horn, Catasauqua; treasurer, Calvin D. Moser, of Reading. The next meeting will be held in May, 1894, and the place of meeting will be determined by the executive committee.

PHILADELPHIA.—The conservative and historic Bank of North America will begin in the near future the erection of new quarters upon the site of its present home that will give it a rank among financial institutions, architecturally, equal to its importance as the oldest bank in Pennsylvania. The new structure will have a frontage on Chestnut street of 56½ feet, the building adjoining the bank at 305 Chestnut street being razed to make room for the improvement. While the building is in progress the business of the bank will be conducted temporarily in the old offices of the Investment Company, 310 Chestnut street. The Bank of North America has occupied the same spot on Chestnut street continuously during the one hundred and twelve years of its existence. It was founded in 1781 by Robert Morris, then Superintendent of Finance, through whose influence the bank was chartered by Congress, and through the days of financial stringency at the close of the revolution, and during the war of 1812, it played an important part in the financial affairs of the Government. The business was originally conducted in the house of the first cashier of the bank, Tench Francis, which stood on the site of the present building. It was occupied for sixty-five years, when the building was torn down and the present substantial structure erected.

LANCASTER, PA.—An odd lawsuit has been ended, which involved 20 certificates of the old Farmers' Bank stock issued 79 years ago. These certificates were found among the effects of the late Adam Dietrich, whose father Henry had purchased the stock in 1814. The Farmers' Bank was changed to a National bank about thirty years ago. The heirs of Adam Dietrich presented them to the bank, and the cashier, satisfied that the certificates had been paid 60 years ago, kept them. Suit was brought by the heirs, but it was proved that the bank had canceled the certificates, and the jury gave a verdict against the heirs.

RHODE ISLAND.—The annual report of Colonel A. C. Landers, State Auditor, upon the condition of the State banks of Rhode Island is received and contains much valuable information in a concise form. The capital of the six State banks remains the same as last year, with total resources of \$2,214,737.56. Each of these banks declared dividends during the six months ending November 17, 1892, the average rate being 2 7-12 per cent. or 5 1-6 a year. Twenty-eight institutions for savings, six of which are in liquidation, report \$69,906,992.57 in deposits, an increase during the year of \$3,630,897.13. The total number of depositors is 142,482, an increase of 5,844. The number depositing sums less than \$500 is 94,452, an increase of 4,405; of those depositing \$500 and under \$1,000, 20,483, an increase of 982; depositing \$1,000 and upwards, 17,627, an increase of 458. Twenty-four institutions declared semi-annual, and eight annual dividends, the average rate per cent. being 4 43-64. These institutions have loans on mortgages in this State amounting to \$21,744,368.23, an increase of \$808,361.73; in other States, \$5,724,407.92, an increase of \$167,627.95. Seven trust companies report resources to the amount of \$22,414,452.50, an increase during the year of \$6,997,593.11; mortgages on real estate in Rhode Island \$868,576.26; and in other States, \$1,702,305.90. The Coddington Savings Bank of Newport reports resources amounting to \$758,097.69; deposits, \$714,193.48; profit on hand, \$3,166.52; whole number of depositors, 1,250; number of depositors of \$500 and under \$1,000, 142; number of depositors of \$1,000 and upwards, 193; largest amount due one depositor, \$14,711; amount of last dividend, \$13,872.50; amount of reserved profits at time of last dividend, \$2,779.33; rate of last dividend 2 per cent. for six months; amount loaned on mortgages on real estate in other States, \$113,711.50; total amount of mortgages on real estate, \$465,998.43. The Island Savings Bank of Newport reports resources amounting to \$892,662.35; amount of deposits, \$852,340.62; amount of profit on hand, \$40,321.73; whole number of depositors, 1,237; number of depositors of \$500 and under \$1,000, 155; number of depositors of \$1,000 and upwards, 225; largest amount due any one depositor, \$19,033; amount of last dividend, \$17,981.28; amount of reserved profits at time of last dividend, \$21,731.77; rate of last dividend, 2½ per cent. for six months; amount loaned on mortgages in other States, \$151,000; total amount of mortgages on real estate, \$717,262.15. The Savings Bank of Newport reports resources amounting to \$6,242,517.58, of which \$1,960,377.37 is invested in mortgages on real estate, \$188,340 in stocks, \$3,759,665 in bonds and \$125,000 loaned on collaterals of personal property. The amount of deposits is \$5,823,146.09; amount of profit on

hand, \$69,263.62; profit and loss, \$350,107.87; whole number of depositors, 7,169; number of depositors of \$500 and under \$1,000, 806; number of depositors of \$1,000 and upwards, 1,394; largest amount due to any one depositor (Townsend fund for People's Library, Children's Home and Home for the Aged), \$169,148.21; amount of last dividend, \$112,915.01; rate of last dividend, 2 per cent. for six months; amount of reserved profits at time of last dividend, \$350,107.87.

MAUCH CHUNK, PA.—The affairs of the defunct Miners' Bank, of Summit Hill, have been put into process of final liquidation by an order of court approving the report of Assignee Dreysbach. This bank failed twenty years ago with liabilities amounting to \$46,293.31, distributed among 108 depositors and thirty banks. The assignee has distributed 11 per cent. to the creditors and by the above report they will receive an additional 19 per cent. of the balance that was still due them.

WESTERN STATES.

DETROIT, MICH.—The bank clerks have formed an association.

ANDERSON, IND.—The Anderson Banking Company has increased its capital stock from \$50,000 to \$125,000.

WISCONSIN—AN ACT TO ABOLISH DAYS OF GRACE.—Section 1. All notes, drafts, acceptances, bills of exchange, bonds or other evidence of indebtedness, whereby the maker or acceptor, he, they, or it shall promise to pay any person, corporation, or order, or the bearer, any sum of money as therein mentioned, and in which is no expressed stipulation to the contrary, no grace, according to the custom of merchants, shall be allowed but the same shall be due and payable as therein expressed, on the day and date named, without grace. Section 2. All acts and parts of acts, inconsistent with the provisions of this act, are hereby repealed. Section 3. This act shall take effect and be in force one year from and after its date and publication.

Approved by Governor, March 29, 1893.

EAU CLAIRE, WIS.—The Bank of Eau Claire has added \$70,000 to the capital stock, making it \$100,000.

SOUTHERN STATES.

TEXAS.—The House committee on constitutional amendments have reported favorably on the resolution to amend the constitution so as to authorize chartering State banks of deposit, discount and exchange, and banks of issue. There will be a minority report, however, opposed to the provision for banks of issue based on the declaration in the State Democratic platform in opposition to the National banking system.

HOUSTON, TEXAS.—Arrangements are being made for remodeling the Commercial National Bank building. A handsome front and a tower will be added, and the building, when completed, will be an ornament to the city. The interior will be renovated generally above the ground floor.

RICHMOND, VA.—The stockholders of the National Bank of Virginia have decided to increase the capital stock of the institution from \$200,000 to \$300,000.

PACIFIC STATES.

OAKLAND, CAL.—For twenty-five years—two-thirds of the time that Oakland has had any real existence—the city had a banking institution in which public confidence has not once wavered, and to-day its volume of business is larger than any other bank in Oakland. The Oakland Bank of Savings, the bank to which special attention is directed, was organized in 1867, exactly a quarter of a century ago, and its total assets now amount to over \$6,000,000. It transacts a general banking business and is divided, for this purpose, into three separate and distinct departments—the commercial department, the savings department and the safe and deposit department. The depositors doing business with the commercial department of the bank are accorded every accommodation consistent with conservative banking. Exchanges are drawn in the principal cities throughout the United States and Europe, and letters of credit are issued payable in over 100 of the principal cities of the world. Borrowers are accommodated at the lowest mar-

ket rate. The savings depositors receive a rate of interest which is usually a trifle in excess of the rates paid by the banks of San Francisco. These deposits are invested principally in real estate loans and in banks, and it is the aim of the directors of the bank to loan these funds on the soundest security. Real estate loans are made either flat or installment, although the latter are preferred, being safer for the bank and cheaper to the borrower. Arrangements may be made with the bank to pay these installment loans in variable amounts to suit the convenience of the borrowers, not less than \$5 nor more than \$50 a month being received. The interest stops on these payments when made. This plan seems to suit every class of borrowers, and its simplicity and economy commends it to all. Expenses connected with the real estate loans are reduced to the lowest figures possible, no attorney's fee being charged in any case. The safe deposit department was established in 1884 and is gradually being appreciated by the patrons of the bank, especially so by those doing business with this department. The usual facilities for guarding the money and valuables placed in this department are afforded, and no one depositing anything for safe-keeping with the bank need have any fear of its going astray. Watchmen are on duty at all hours of both the day and night, and there are electrical appliances connected with the vaults which signalize the opening of any of them. A special room has been set apart for lady patrons, and in fact everything is done to make things as pleasant as possible for people doing business with this, as well as the other departments of the bank. The rates are from \$1 to \$50 per year. The officers of the bank are: President, E. C. Sessions; cashier, W. W. Garthwaite; directors, W. R. Davis, John S. Drumm, E. A. Haines, W. E. Miller, James Moffitt, E. W. Playter, Isaac L. Requa, Henry Rogers, E. C. Sessions. —*Oakland Times*.

SEATTLE, WASH.—The Scandinavian-American Bank is the newest and latest of Seattle's banking enterprises, having opened for business April 27, 1892. It has already swung into line as one of the leading, most enterprising, and most progressive banks of the coast, and there are few, if any banks in this State or the Northwest that enjoy so extensive a European business connection. It enjoys most favorable arrangements with all the principal steamship lines between the United States, Canada and Europe, and with all transcontinental railroads, by which they are enabled to sell tickets at very low rates. The foreign exchange department of this bank is said to transact the largest business of its kind on the Pacific coast. All these arrangements have been carefully studied and secured before opening their doors for business. The officers are A. Chilberg, president and manager; A. Amunds, of Seattle, vice-president; A. E. Johnson, of St. Paul, Minn., also vice-president. The bank is well and centrally located in one of the finest buildings on the coast, elegantly fitted up with every facility to transact a large business. Mr. Chilberg, the president and manager, is an old and esteemed citizen of Seattle, and a thorough financier. The officers and directory take high rank for integrity and large resources.

SEATTLE, WASH.—One of the flourishing banks on the Pacific coast is the Commercial National Bank of Seattle, whose success can be traced to the genius and financial management of its president, Mr. H. W. Wheeler. Some three years ago Mr. Wheeler started a private bank at North Seattle, corner of Front and Battery streets. The business of North Seattle—at all times limited—offered slender encouragement; for it is well known a bank must have depositors and a patronage to give it a tone of prosperity. As soon as a suitable room was obtained, Mr. Wheeler moved to the leading business center, and organized the Commercial National Bank, which occupies a high plane in the line of business and commercial ability, enterprise and standing. The officers and directors are: H. W. Wheeler, president; John V. Ostrander, vice-president; W. Barry, cashier; D. T. Denny, C. P. Stone, A. S. Miller.

FOREIGN.

HAVANA.—The time fixed for the redemption of the bank bills issued on account of the treasury expired on March 12. Notes of the nominal value of \$4,508,600 were not presented for redemption, and, according to the law, have now no value. It is supposed that by far the greater part of these notes have been lost or destroyed.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from March No., page 714.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY. Federal Bank.....	Irving C. Gaylord, <i>P.</i>	A. H. Leszynski.
• ..Franklin National Bank.....	Ellis H. Roberts, <i>P.</i>	Chas. F. James, <i>V. P.</i>
	Nathan D. Daboll, <i>Cas.</i>	Stephen W. Jones.*
• ..New York Savings Bank.....	Frederick Hughson, <i>P.</i>	A. M. Pentz, <i>2d V. P.</i>
	Rufus H. Wood, <i>Tr.</i>	Rufus H. Wood.
ALA....People's Savings Bank & Trust Co., Birmingham..	F. W. Dixon, <i>P.</i>	W. J. Rushton.
• ..Merchants National Bank, Tuscaloosa.	John D. Elliott, <i>Cas.</i>	F. W. Dixon.
	Glenn Foster, <i>Cas.</i>	Jno. M. Daniel.
ARIZ..Prescott National Bank, Prescott.	Morris Goldwater, <i>V. P.</i>	
• ..Bank of Tempe, Tempe.	P. P. Daggs, <i>P.</i>	P. P. Daggs.
	W. A. Daggs, <i>V. P.</i>	W. L. Van Horn, <i>Cas.</i>
ARK....Peoples B'k, Bentonville.....	J. G. McAndrew, <i>Cas.</i>	Jas. M. Bohart.
• ..Bank of Commerce, Little Rock.	E. L. Walther, <i>Cas.</i>	Oscar M. Nilson.
• ..Exchange National B'k, Little Rock.	Charles F. Penzel, <i>P.</i>	W. P. Homan.
CAL....Fallbrook B'k, Fallbrook.	Clark Wicks, <i>P.</i>	F. W. Bartlett.
• ..California B'k, Los Angeles.	H. Wilbur, <i>V. P.</i>	Clark Wicks.
• ..State Loan and Trust Co., Los Angeles.	J. M. Witmer, <i>Cas.</i>	John G. Mossin, <i>Asst.</i>
• ..Commercial B'k, Los Gatos.	W. G. Cochran, <i>P.</i>	Geo. H. Bonebrake.
• ..Security Savings B'k, Merced..	J. R. Ryland, <i>P.</i>	A. Berryman.
• ..First Nat. Bank, Monrovia.	L. C. Traylor, <i>Cas.</i>	J. R. Ryland.
• ..First Nat. Bank, Oakland.	J. F. Carlston, <i>Cas.</i>	W. W. Westbay.
• ..Pasadena Nat. Bank, Pasadena.	W. A. Chess, <i>Asst.</i>	
• ..National Bank of D. O. Mills & Co., Sacramento.	G. W. McNear, <i>P.</i>	A. D. Thomson.
• ..First National Bank, Alamosa.	A. D. Thomson, <i>V. P.</i>	D. Henderson.
• ..Boulder National Bank, Boulder.	J. D. Lincoln, <i>P.</i>	
• ..First National Bank, Cripple Creek.	Frank Miller, <i>P.</i>	Edgar Mills.*
• ..City National Bank, Denver.	S. P. Smith, <i>V. P. & Cas.</i>	Frank Miller.
• ..Central National Bank, Pueblo.	Chas. H. Toll, <i>V. P.</i>	A. W. McIntire.
• ..Trinidad National Bank, Trinidad.	Chas. C. Bromley, <i>Cas.</i>	I. L. Bond.
CONN...First National Bank, Bridgeport.	Fred L. Williams, <i>Asst.</i>	Chas. C. Bromley.
• ..City National Bank, New London.	A. D. Jones, <i>V. P.</i>	
• ..Rockville National Bank, Rockville.	W. S. Iliff, <i>2d V. P.</i>	
• ..First National Bank, Winsted.	D. K. Drake, <i>Asst.</i>	C. S. Burwell.
	H. L. Holden, <i>Cas.</i>	C. A. Hammond.
	Edward D. Wight, <i>P.</i>	James L. Lombard.
	Wm. E. Seeley, <i>V. P.</i>	
	O. H. Brothwell, <i>Cas.</i>	Wm. E. Seeley.
	H. L. Crandall, <i>V. P.</i>	
	A. Park Hammond, <i>P.</i>	E. C. Chapman.*
	Frank Grant, <i>V. P.</i>	J. N. Stickney*
	Chas. P. Hallett, <i>Asst.</i>	

* Deceased.

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
DAK. N. First National Bank, Bismarck.	Asa Fisher, <i>P.</i>	G. H. Fairchild.
" .. Merchants State Bank, Fargo.	Wm. T. Perkins, <i>V. P.</i>	H. R. Porter.
" .. Goose River Bank, Mayville.	Wm. A. Dillon, <i>Cas.</i>	O. H. Whitaker.
" .. State Bank of Reynolds, Reynolds.	John D. Benton, <i>P.</i>	B. F. Spaulding.
	C. S. Edwards, <i>P.</i>	L. B. Gibbs.
	C. L. Grandin, <i>Cas.</i>	C. S. Edwards.
	M. F. Murphy, <i>P.</i>	S. R. Smith.
	C. E. Clure, <i>Cas.</i>	W. Styles.
DAK. S. National Bank of Canton, Canton.	C. H. McManus, <i>Asst.</i>	
" .. First National Bank, Deadwood.	J. A. Goding, <i>V. P.</i>	N. Noble.
" .. First Nat. B'k, Fort Pierre	L. H. Larsen, <i>Cas.</i>	J. A. Goding.
" .. Bank of Plankinton	T. J. Grier, <i>V. P.</i>	D. K. Dickinson.
" .. Black Hills National Bank, Rapid City.	C. A. Coe, <i>Asst.</i>	B. P. Dague.
" .. Merchants B'k, Watertown	Glenn Steere, <i>Asst.</i>	
" .. Yankton Savings Bank, Yankton.	C. A. Johnson, <i>P.</i>	E. S. Rowley.
FLA. ... Brevard Co. State B'k, Cocoa.	Henry E. Bailey, <i>P.</i>	H. G. Hall.
GA. ... Maddox-Rucker Banking Co., Atlanta.	Warren W. Price, <i>Cas.</i>	H. S. Hall.
" .. Bainbridge State Bank, Bainbridge.	S. H. Goepfert, <i>P.</i>	O. Gesley.
" .. Bank of Cordele, Cordele.	L. B. French, <i>V. P.</i>	
" .. Bank of Quitman	B. C. Woolley, <i>Cas.</i>	
ILL. ... Home Nat. Bank, Elgin	Albert A. Taylor, <i>P.</i>	G. S. Hardee.
" .. John Weedman Nat. B'k, Farmer City.	W. L. Peel, <i>V. P.</i>	
" .. First Nat. B'k, Naperville	H. C. Hagley, <i>Cas.</i>	W. L. Peel.
" .. Merchants Nat. B'k, Peoria	J. W. Tayntor, <i>P.</i>	W. M. Blount.
" .. Peoria National Bank, Peoria.	W. S. Thomson, <i>P.</i>	J. E. D. Shipp.
" .. Plainfield Nat. B'k, Plainfield	T. J. Brooks, <i>V. P.</i>	
" .. Livingston Co. Nat. B'k, Pontiac	Lee B. Jones, <i>Cas.</i>	T. J. Brooks.
" .. Quincy Nat. B'k, Quincy	Clayton Groover, <i>P.</i>	E. P. S. Denmark.
IND. ... First National Bank, Auburn.	A. B. Church, <i>V. P.</i>	T. Barrows *
" .. First National Bank, Frankfort.	C. M. C. Weedman, <i>V. P.</i>	
" .. Citizens National Bank, Greensburg.	G. M. Kincaid, <i>Cas.</i>	C. M. C. Weedman.
" .. Meridian Nat. B'k, Indianapolis	Francis Granger, <i>Cas.</i>	A. Mc.S.S. Riddler.
" .. Howard Nat. B'k, Kokomo	Ferd. Luthy, <i>P.</i>	A. J. Hodges.
" .. South Bend National Bank, South Bend.	Geo. H. McIlvaine, <i>P.</i>	C. P. King.*
IND. T. First Nat. Bank, Vinita	L. F. Houghton, <i>Cas.</i>	R. A. Culter.
IOWA. ... First Nat. B'k, Albion	J. I. Evarts, <i>P.</i>	Jeremiah Evarts.*
" .. Atlantic Nat. B'k, Atlantic	M. H. Greenebaum, <i>Act. Cas.</i>	Jos. Spiro.
" .. Iowa Valley State B'k, Belmond	Julius Kespohl, <i>V. P.</i>	W. W. Benton.
" .. Boone Co. Bank, Boone	D. A. Garwood, <i>Cas.</i>	W. H. McIntyre.
" .. Merchants Nat. B'k, Burlington	Chas. McClellan, <i>Asst.</i>	
" .. First Nat. B'k, Charter Oak	D. F. Allen, <i>P.</i>	J. W. Coulter.
" .. American Savings Bank, Des Moines.	J. W. Coulter, <i>V. P.</i>	David F. Allen.
" .. Mills Co. National Bank, Glenwood.	Louis E. Lathrop, <i>P.</i>	
" .. First National Bank, Holstein.	John W. Lovett, <i>V. P.</i>	Louis E. Lathrop.
" .. First Nat. B'k, Indianola	Fred. Fahnley, <i>V. P.</i>	D. A. Richardson.
" .. Knoxville Nat. B'k, Knoxville	M. E. Ray, <i>Asst.</i>	Foster Branson.
" .. First Nat. Bank, Laurens	Geo. W. Matthews, <i>V. P.</i>	
" .. First National Bank, Malvern.	John M. Brown, <i>Asst.</i>	
	Oliver Bagby, <i>P.</i>	S. S. Cobb.
	James Hilton, <i>V. P.</i>	Andrew Trussell.
	W. A. McWaid, <i>Asst.</i>	
	D. E. Packard, <i>Cas.</i>	M. H. Littell.
	Miles Becket, <i>Cas.</i>	J. J. Snell.
	W. E. Blake, <i>ad V. P.</i>	
	J. G. Shumaker, <i>Cas.</i>	W. T. Bradford.
	J. G. Haskins, <i>P.</i>	E. S. Harter.
	E. S. Harter, <i>V. P.</i>	
	F. M. Buffington, <i>V. P.</i>	
	C. R. Buffington, <i>Asst.</i>	F. M. Buffington.
	F. S. Manson, <i>P.</i>	F. C. Knepper.
	J. C. Edgar, <i>V. P.</i>	E. H. McCutchen.
	E. H. McCutchen, <i>Cas.</i>	Chr. Haas.
	John A. Shuler, <i>V. P.</i>	
	C. C. Cunningham, <i>Asst.</i>	W. L. Collins.
	L. D. Beardsley, <i>ad Asst.</i>	
	L. Bentley, <i>V. P.</i>	S. D. Davis.
	Jay J. Wilson, <i>Cas.</i>	L. Bentley.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
IOWA...	Marathon Savings Bank, Marathon.	{ A. J. Wilson, <i>P.</i> F. R. Cornish, <i>V. P.</i> M. E. De Wolf, <i>Cas.</i>	{ F. R. Cornish. A. J. Wilson.
"	..Ottumwa Nat. B'k, Ottumwa.	L. E. Stevens, <i>Asst.</i>	
"	..Guthrie Co. Nat. B'k, Panora.	Arthur Reynolds, <i>Cas.</i>	G. M. Reynolds.
"	..Farmers Savings Bank, Sioux Centre.	{ N. Kessey, <i>P.</i> T. Prins, <i>Cas.</i>	{ J. Vande Berg. P. Egan, Jr.
KAN....	First National Bank, Anthony.	{ D. F. Sholly, <i>P.</i> T. B. Smith, <i>V. P.</i> P. G. Walton, <i>Cas.</i>	{ O. F. Casteen.
"	..Anderson Co. Nat. B'k, Garnett.	Scott Elliott, <i>P.</i>	John Hall.
"	..First National Bank, Hays City.	{ J. M. Yost, <i>V. P.</i> M. E. Dixon, <i>Asst.</i>	{ W. A. Myers. Wm. S. Webb.
"	..First Nat. Bank, Larned.	T. McCarthy, <i>Cas.</i>	Wm. S. Webb.
"	..Bank of Moundridge.	Philip Hoffman, <i>P.</i>	E. L. Parris.
"	..First Nat. B'k, Ness City.	M. C. Burton, <i>Asst.</i>	
"	..Bank of Sylvia.	R. S. Thompson, <i>P.</i>	W. O. Van Arsdale.
"	..Winfield National Bank, Winfield.	{ C. Perry, <i>P.</i> H. E. Silliman, <i>V. P.</i> James Lorton, <i>Asst.</i>	{ H. B. Schuler. G. H. Schuler.
KY....	..Farmers Nat. B'k, Danville.	G. W. Welsh, <i>Cas.</i>	G. W. Welsh, Jr.
"	..Deposit Bank, Eminence.	W. Shelby Wilson, <i>Cas.</i>	W. B. Wilson.
"	..First Nat. B'k, Georgetown.	W. N. Offutt, <i>V. P.</i>	R. M. Dudley.*
"	..Mercer Nat. B'k, Harrodsburg.	D. L. Moore, <i>P.</i>	J. H. Moore.
"	..Westview Sav. B'k, Louisville.	R. C. Kinkead, <i>P.</i>	Theodore Harris.
"	..First Nat. B'k, Paducah.	M. G. Cope, <i>P.</i>	Wm. Beadles.
"	..Madison Nat. B'k, Richmond.	W. L. Crutcher, <i>Asst.</i>	
LA....	..So. Nat. B'k, New Orleans.	H. G. Seeligson, <i>Asst.</i>	
ME....	..Penobscot Sav. B'k, Bangor.	Geo. H. Hopkins, <i>Tr.</i>	D. D. Clark.
"	..Gorham Sav. B'k, Gorham.	Stephen Hinkley, <i>Tr.</i>	J. A. Waterman.*
"	..Messalonskee Nat. Bank, Oakland.	{ A. J. Libby, <i>P.</i> A. P. Benjamin, <i>V. P.</i>	{ L. D. Emerson. A. J. Libby.
MD....	..Fidelity & Dep. Co., Baltimore.	Edwin Warfield, <i>P.</i>	L. L. Jackson.
"	..Pocomoke City Nat. B'k, Pocomoke City.	Wm. F. King, <i>Cas.</i>	Chas. H. Colburn.
"	..Washington Co. Nat. B'k, Williamsport.	John A. Miller, <i>V. P.</i>	A. Berry.
MASS...	..First Nat. B'k, Ashburnham.	Walton B. Whitney, <i>Cas.</i>	Geo. W. Eddy.*
"	..Traders National Bank, Boston.	{ H. J. Jaquith, <i>P.</i> R. S. Wentworth, <i>Asst.</i>	{ W. A. Faulkner.
"	..Cambridgeport Sav. B'k, Cambridgeport.	Daniel U. Chamberlin, <i>P.</i>	Jos. A. Holmes.*
"	..Peoples Nat. B'k, Marlborough.	L. S. Brigham, <i>V. P.</i>	John O'Connell.
"	..Mercantile Nat. B'k, Salem.	Wm. O. Chapman, <i>Cas.</i>	Jos. H. Phippen.
"	..Chicopee Nat. B'k, Springfield.	A. J. McIntosh, <i>P.</i>	Horace Smith.
"	..First National Bank, Springfield.	{ John Olmsted, <i>P.</i> F. L. Safford, <i>Asst.</i>	{ Jas. Kirkham.* J. W. Kirkham.
"	..Crocker National Bank, Turner's Falls.	C. T. Crocker, <i>P.</i>	R. N. Oakman.
"	..Williamstown Nat. Bank, Williamstown.	C. W. Hazelton, <i>V. P.</i> John B. Gale, <i>P.</i>	{ C. T. Crocker. James White.
MICH...	..First National Bank, Cassopolis.	{ S. T. Read, <i>P.</i> M. L. Howell, <i>V. P.</i>	{ M. L. Howell. S. T. Read.
"	..So. Michigan Nat. Bank, Coldwater.	{ Lester E. Rose, <i>P.</i> C. D. Randall, <i>V. P.</i> A. S. Upton, <i>Cas.</i>	{ C. D. Randall. C. G. Luce. L. E. Rose.
"	..Peoples Nat. B'k, Jackson.	F. H. Helmer, <i>Cas.</i>	
"	..Commercial Bank, Mount Pleasant.	{ M. Devereaux, <i>P.</i> Denis Ryan, <i>Cas.</i>	{ A. W. Wright. F. McNamara.
"	..Citizens Nat. Bank, Romeo.	R. S. Reade, <i>Asst.</i>	
"	..Peoples Sav. Bank, Saginaw.	J. J. Rupp, <i>P.</i>	John A. Edgett.
"	..First Nat. Bank, St. Ignace.	Henry Hoffman, <i>V. P.</i>	C. E. Wells.
"	..First Nat. B'k, Traverse City.	C. A. Hammond, <i>Cas.</i>	W. L. Hammond.
MINN...	..First Nat. Bank, Austin.	H. L. Banfield, <i>Asst.</i>	
"	..Bank of Belgrade.	H. Borgerding, <i>P.</i>	Geo. M. Kolb.
"	..Bank of Brainerd.	G. D. La Bar, <i>Cas.</i>	H. J. Spencer.
"	..First Nat. B'k, Elbow Lake.	C. W. Russell, <i>V. P.</i>	Wm. Moses.

* Deceased

	<i>Bank and Place.</i>	<i>Elected</i>	<i>In place of</i>
MINN.	First Nat. Bank, Kasson.....	J. C. E. Hohnen, <i>Asst.</i>	
"	Bank of Le Roy.....	M. T. Dunn, <i>Cas.</i>	E. M. Edwards.
"	Flour City Nat. Bank, Minneapolis.	A. A. Crane, <i>Cas.</i>	Geo. E. Maxwell.
"	State Bank, Minneapolis.....	C. A. Blomquist, Jr., <i>Asst. & Act'g Cas.</i>	
"	New Duluth Nat. Bank, New Duluth.	John P. Johnson, <i>P.</i>	E. L. Bradley.
"	Brown Co. Bank, New Ulm.....	S. M. Chandler, <i>V. P.</i>	J. P. Johnson.
"	First Nat. B'k, Owatonna.....	E. G. Koch, <i>Cas.</i>	Wm. F. Seiter.
"	First National Bank, Pipestone.	W. N. Holland, <i>Asst.</i>	
"	Union Bank, St. Paul.....	C. J. Cawley, <i>P.</i>	Chas. Mylius.
"	Citizens State Bank, Waseca.....	Henry E. Briggs, <i>V. P.</i>	C. J. Cawley.
"	Peoples Bank, Waseca.....	W. C. Briggs, <i>Cas.</i>	Henry E. Briggs.
"	First National Bank, Wells.....	Hermann Scheffer, <i>Cas.</i>	H. S. Johnson.
MISS.	Citizens Bank, Greenville.	S. Swenson, <i>Cas.</i>	F. N. Hunt.
"	McComb City Bank, McComb.	J. H. Jenkins, <i>P.</i>	O. D. Sawin.
"	First National Bank, Starkville.	C. L. Todd, <i>Asst.</i>	A. O. Oleson.
MO.	Central National Bank, Boonville.	Jas. Robertshaw, <i>Cas.</i>	W. S. Hamilton.
"	Linn Co. Bank, Brookfield.....	S. C. Bull, Jr., <i>Asst.</i>	
"	North Western Bank, Burlington Junc.	J. J. White, <i>P.</i>	E. L. Williams.
"	Moniteau Nat. B'k, California.....	W. R. Caston, <i>Cas.</i>	C. H. Lyons.
"	Joplin Nat. Bank, Joplin.....	E. L. Tarry, <i>P.</i>	H. E. Power.
"	First Nat. Bank, Palmyra.....	Chas. Tandy, <i>V. P.</i>	E. L. Tarry.
"	Citizens National Bank, Sedalia.	Lon V. Stephens, <i>V. P.</i>	C. W. Sombart.
"	American Nat. B'k, Springfield.....	L. H. Levens, <i>Asst.</i>	Lon V. Stephens.
"	Chemical Bank, Sweet Springs.	H. De Graw, <i>P.</i>	W. H. Brownlee.
"	Bank of Wheeling, Wheeling.	T. E. Fordyce, <i>Cas.</i>	F. M. Compton.
MONT.	First National Bank, Billings.	J. P. H. Gray, <i>V. P.</i>	
"	Yellowstone Nat. Bank, Billings.	Galen Spencer, <i>P.</i>	H. L. Newman.
"	Gallatin Valley Nat. B'k, Bozeman.	Jas. W. Proctor, <i>Cas.</i>	Samuel Logan.
"	Northwestern Nat. Bank, Great Falls.	W. H. Powell, Jr., <i>Cas.</i>	Adam Ittel.
"	Helena Nat. Bank, Helena.....	Grant Crawford, <i>Asst.</i>	W. H. Powell, Jr.
"	Montana National Bank, Helena.	T. A. Miller, <i>P.</i>	
"	First Nat. Bank, Neihart.....	C. Kincaid, <i>P.</i>	C. Logsdon.
"	First National Bank, Philipsburg.	W. T. Prigmore, <i>Cas.</i>	C. Kincaid.
NEB.	State Bank, Alvo.	Jas. M. Davis, <i>P.</i>	Jas. Gould.
"	First National Bank, Auburn.	H. P. Scruby, <i>Cas.</i>	Jas. H. Morison.
"	Citizens Bank, Bennet.....	P. B. Moss, <i>Cas.</i>	
"	Carroll State B'k, Carroll.....	Geo. M. Hays, <i>Asst.</i>	
"	Commercial State Bank, Clay Centre.	Geo. B. Parker, <i>Asst.</i>	
"	Concord State B'k, Concord.....	E. B. Martin, 2d <i>Asst.</i>	
"	Bank of Gering, Gering.....	C. U. Stuart, <i>Asst.</i>	
"	State Bank, Gothenburg.....	John M. Luke, <i>Asst.</i>	
"	German National Bank, Hastings.	John T. Murphy, <i>P.</i>	
		R. L. McCulloh, <i>V. P.</i>	L. G. Phelps.
		A. L. Smith, <i>Cas.</i>	R. L. McCulloh.
		E. B. Weirick, <i>Asst.</i>	
		H. J. Skinner, <i>Asst.</i>	C. U. Stuart.
		E. C. Freyschlag, <i>V. P.</i>	
		Jas. H. King, <i>Cas.</i>	E. C. Freyschlag.
		N. H. Meeker, <i>V. P.</i>	
		A. L. Munger, <i>Cas.</i>	Edwin Jeary.
		W. H. Hay, <i>Cas.</i>	D. J. Wood.
		T. L. Hall, <i>Asst.</i>	W. H. Hay.
		C. W. Eggleston, <i>Cas.</i>	C. A. Pierce.
		M. S. Merrill, <i>P.</i>	H. H. Clark.
		H. E. McDowell, <i>P.</i>	O. G. Smith.
		J. L. Campbell, <i>Cas.</i>	H. E. McDowell.
		Geo. O. Acers, <i>Cas.</i>	Geo. N. Smith.
		Peter McFarlane, <i>Cas.</i>	C. W. Johnson.
		S. S. Kaufman, <i>Cas.</i>	H. L. Carlson.
		Jacob Bernhard, <i>V. P.</i>	Wm. M. Lowman.
		John Slaker, <i>Cas.</i>	Wm. H. Fuller.
		L. J. Siekman, <i>Asst.</i>	John Slaker.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
NEB....	Adams Co. Bank, Hastings.....	W. H. Fuller, <i>Cas.</i>	
"	..Holdrege Nat. B'k, Holdrege.....	J. P. Hymmer, <i>Cas.</i>	C. H. Eshbaugh.
"	..Columbia State B'k, Lincoln.....	F. E. Johnson, <i>V. P.</i>	T. E. Sanders.
"	..Clearing House Ass'n, Lincoln.....	E. D. W. Pogue, <i>Asst.</i>	Jno. A. Ames, <i>2d Asst.</i>
"	..Lyons State B'k, Lyons.....	N. S. Harwood, <i>P.</i>	J. D. Macfarland.
"	..Commercial Nat. B'k, Omaha.....	Wm. A. Loveland, <i>Cas.</i>	Frank White.
"	..First Nat. Bank, Ponca.....	C. W. Lyman, <i>P.</i>	A. P. Hopkins.
"	..Jones Nat. B'k, Seward.....	E. D. Higgins, <i>Cas.</i>	F. M. Dorsey.
"	..First Nat. B'k, Wymore.....	Joel Tishue, <i>V. P.</i>	S. C. Burlingim.
N. H....	Salmon Falls Bank, Salmon Falls.....	C. W. Robertson, <i>P.</i>	J. H. Reynolds.
N. J....	Manufacturers Nat. B'k, Newark.....	J. Q. A. Wentworth, <i>Asst.</i>	
"	..Merchants Nat. B'k, Newark.....	S. S. Battin, <i>V. P.</i>	
N. MEX.	First Nat. B'k, Las Vegas.....	John M. Gwinnell, <i>V. P.</i>	W. Campbell.
N. Y....	Albany City Savings Inst., Albany.....	J. W. Zollars, <i>V. P.</i>	Albert Lawrence.
"	..Orleans Co. Nat. Bank, Albion.....	Wm. S. Hockett, <i>Tr.</i>	E. J. Gallien.
"	..Cayuga Co. Nat. B'k, Auburn.....	Chas. E. Hart, <i>P.</i>	E. K. Hart.*
"	..State Bank, Baldwinsville.....	Geo. H. Nye, <i>V. P.</i>	Gorton W. Allen.
"	..Dime Savings Bank, Brooklyn.....	Payn Bigelow, <i>P.</i>	George Hawley.*
"	..Columbia Nat. Bank, Buffalo.....	Benj. H. Huntington, <i>P.</i>	
"	..First Nat. Bank, Cuba.....	J. L. Marcellus, <i>Sec.</i>	B. H. Huntington.
"	..Goshen Nat. Bank, Goshen.....	Clifford Hubbell, <i>Cas.</i>	
"	..Peoples Bank, Haverstraw.....	G. H. Eldridge, <i>V. P.</i>	Seneca Allen.
"	..Hempstead B'k, Hempstead.....	C. G. Elliott, <i>P.</i>	Henry Bacon.
"	..Nat. State Bank, Oneida.....	J. W. Hayne, <i>Cas.</i>	C. G. Elliott.
"	..Nat. Bank of Poland, Poland.....	Denton Fowler, <i>P.</i>	
"	..Merchants Nat. Bank, Poughkeepsie.....	Henry Hahn, <i>V. P.</i>	
"	..Mohawk Nat. Bank, Schenectady.....	Chas. E. Patterson, <i>Cas.</i>	Carroll F. Norton.
"	..Third Nat. Bk., Syracuse.....	Andrew J. French, <i>V. P.</i>	A. A. Phipps.
"	..Troy Savings Bank, Troy.....	Frank J. C. Steber, <i>Cas.</i>	C. S. Millington.
"	..Walden Nat. Bank, Walden.....	S. R. Brayton, <i>Asst.</i>	F. J. C. Steber.
N. C....	First Nat. Bank, Winston.....	I. R. Adriance, <i>2d V. P.</i>	
OHIO....	Farmers Nat. Bank, Ashtabula.....	H. S. Edwards, <i>V. P.</i>	G. Y. Van De Bogert.*
"	..First Nat. Bank, Bellevue.....	L. H. Groesbeck, <i>Cas.</i>	
"	..Fifth Nat. Bank, Cincinnati.....	Chas. E. Hanaman, <i>P.</i>	Derick Lane.*
"	..German Nat. Bank, Cincinnati.....	Thos. W. Bradley, <i>P.</i>	Geo. W. Stoddard.
"	..State Nat. Bank, Cleveland.....	N. J. Fowler, <i>V. P.</i>	Thos. W. Bradley.
"	..Galion Nat. Bank, Galion.....	J. W. Alspaugh, <i>P.</i>	J. C. Buxton.
"	..Greenville Bank Co., Greenville.....	G. A. Follin, <i>V. P.</i>	C. Hamlin.
"	..Kinsman Nat. Bank, Kinsman.....	S. E. Allen, <i>Cas.</i>	J. W. Alspaugh.
"	..First Nat. B'k, Leetonia.....	F. Carlisle, <i>P.</i>	H. E. Parsons.*
"	..Malta Nat. B'k, Malta.....	Jas. B. Wood, <i>V. P.</i>	Jos. F. Eggle.
		R. M. Nixon, <i>P.</i>	J. M. Kirtley.
		T. J. Davis, <i>Asst.</i>	
		Geo. H. Bohrer, <i>P.</i>	
		Edward Herzog, <i>Cas.</i>	Geo. H. Bohrer.
		Wm. C. Wachs, <i>Asst.</i>	Edward Herzog.
		H. C. Ellison, <i>V. P.</i>	
		H. R. Sanborn, <i>Cas.</i>	H. C. Ellison.
		B. A. Bruce, <i>Asst.</i>	H. R. Sanborn.
		O. L. Hays, <i>P.</i>	Geo. Snyder.
		C. A. Snyder, <i>Cas.</i>	O. L. Hays.
		J. H. Koester, <i>P.</i>	N. Iddings.
		F. T. Conkling, <i>Cas.</i>	G. H. Martz.
		H. L. Burnham, <i>P.</i>	R. H. Parker.
		C. Jewell, <i>V. P.</i>	H. L. Burnham.
		John Leavitt, <i>Asst.</i>	
		Jas. M. Rogers, <i>P.</i>	Geo. S. Corner.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
OHIO...	Morrow Co. Nat. Bank, Mt. Gilead.	Samuel P. Gage, <i>Cas.</i>	D. V. Wherry.
"	..Pomeroy Nat. Bank, Pomeroy.	H. M. Horton, <i>P.</i>	R. E. Hamblin.
"	..Champaign Nat. Bank, Urbana.	Jno. R. Ross, <i>Asst.</i>	C. A. Ross.
ORE....	La Grande Nat. Bank, La Grande.	F. L. Meyers, <i>Asst.</i>	H. Owens.
"	..Polk Co. Bank, Monmouth.....	J. H. Hawley, <i>P.</i>	I. A. Macrum.
"	..Bank of Newberg.....	B. C. Miles, <i>Cas.</i>	Moses Votaw.
"	..Merchants Nat. Bank, Portland.	J. Frank Watson, <i>V. P.</i>	James Steel.
PA.	Annvile Nat. Bank, Annvile.	Andrew Kreider, <i>P.</i>	John H. Kinports.*
"	..Nat. Bank of Boyertown.....	H. H. Kreider, <i>V. P.</i>	Andrew Kreider.
"	..Second Nat. Bank, Brownsville.	Wm. D. Kehl, <i>V. P.</i>	D. B. Boyer.*
"	..First Nat. Bank, Canton.....	S. S. Graham, <i>P.</i>	Joseph T. Rogers.
"	..Second Nat. Bank, Clarion.	R. C. Rogers, <i>V. P.</i>	S. S. Graham.
"	..Greenville Nat. Bank, Greenville.	Geo. E. Bullock, <i>V. P.</i>	A. D. Foss.*
"	..Lititz Nat. Bank, Lititz.....	A. Wayne Cook, <i>P.</i>	Porter Haskell.
"	..Nat. B'k of Middletown.....	C. A. Rankin, <i>V. P.</i>	J. T. Maffett.
"	..Western Sav'gs Fund Soc'y, Philadelphia.	J. C. Bowman, <i>Cas.</i>	J. A. Myers.
"	..Farmers & Mech. Nat. B'k, Phoenixville.	I. M. Shannon, <i>Asst.</i>.....	.....
"	..Fidelity Title and Trust Co., Pittsburgh.	G. B. Chase, <i>V. P.</i>	Jos. Benninghoff.
"	..Government Nat. Bank, Pottsville.	T. R. Kreider, <i>Asst.</i>.....	.....
"	..Citizens Nat. Bank, Warren.	Edward M. Raymond, <i>Cas.</i>	H. C. Stehman.*
S. C.	Nat. B'k of Spartanburg.....	R. D. Benson, <i>V. P. pro tem.</i>	Wm. B. Rogers.*
"	..Merch. & Planters Nat. B'k, Union.	Wm. K. Ramborger, <i>Tr.</i>	Wm. B. Rogers.*
TENN...	Camden B'k & Trust Co., Camden.	Mahlon Miller, <i>V. P.</i>	I. Z. Reiner.
"	..Farmers & Merch'ts Nat. B'k, Clarksville.	Franklin Brown, <i>Sec.</i>	C. B. McVay.
"	..Nat. Bank of Franklin.....	Jas. B. Chaplin, <i>Tr.</i>	C. B. McVay.
"	..First Nat. Bank, Greenville.	John F. Zerbey, <i>Cas.</i>.....	.....
"	..Harriman B'k & Trust Co., Harriman.	E. T. Hazeltine, <i>V. P.</i>	G. N. Parmlee.
"	..Manufacturers Nat. Bank, Harriman.	L. W. Dennison, <i>Asst.</i>	F. E. Hertzell.
"	..First Nat. B'k, Jonesboro.....	J. C. Ewins, <i>Asst.</i>.....	.....
"	..Third Nat. Bank, Knoxville.....	F. M. Farr, <i>P.</i>.....	.....
"	..Bank of Petersburg.....	A. H. Foster, <i>V. P.</i>	H. S. Goss.
TEXAS.	Farmers & Merchants Nat. B'k, Abilene.	F. G. Hudson, <i>P.</i>	W. G. Hatley.
"	..First Nat. Bank, Brenham.....	W. E. McRae, <i>V. P.</i>	A. A. McRae.
"	..Brownwood Nat. Bank, Brownwood.	Frank Hodgson, <i>Cas.</i>	E. T. Peck.
"	..Coleman National Bank, Coleman.	Jno. B. McEwen, <i>V. P.</i>	Thos. F. Perkins.*
"	..Nat. B'k of Daingerfield.....	J. M. Brabson, <i>P.</i>	N. Hacker.
"	..First Nat. Bank, Denison.....	N. Hacker, <i>V. P.</i>.....	.....
"	..First Nat. Bank, Llano.....	Geo. R. Barns, <i>V. P.</i>	W. W. Blakeley.
"	..First Nat. Bank, Rockport.....	J. H. Hanford, <i>Cas.</i>	W. H. Parsons.
"	..First Nat. Bank, Yoakum.....	Daniel Denny, <i>P.</i>	S. P. Sparks.
"	..First Nat. Bank, Yoakum.....	W. B. Winslow, <i>2d V. P.</i>....	.....
"	..First Nat. Bank, Yoakum.....	Geo. B. Durell, <i>Cas.</i>	R. B. Baird.
"	..First Nat. Bank, Yoakum.....	R. M. May, <i>V. P.</i>	Newton Hacker.
"	..First Nat. Bank, Yoakum.....	H. B. Branner, <i>P.</i>	H. B. Carhart.
"	..First Nat. Bank, Yoakum.....	J. G. Leonard, <i>Cas.</i>	O. F. Gill.
"	..First Nat. Bank, Yoakum.....	B. B. Kenyon, <i>P.</i>	F. W. James.
"	..First Nat. Bank, Yoakum.....	Henry James, <i>Cas.</i>	B. B. Kenyon.
"	..First Nat. Bank, Yoakum.....	A. Wangermann, <i>V. P.</i>	C. A. Engelke.
"	..First Nat. Bank, Yoakum.....	T. C. Yantis, <i>P.</i>	L. Bair.
"	..First Nat. Bank, Yoakum.....	J. C. Weakley, <i>V. P.</i>	W. W. McCullough.
"	..First Nat. Bank, Yoakum.....	W. N. Cameron, <i>P.</i>	J. E. McCord.
"	..First Nat. Bank, Yoakum.....	R. S. Bowen, <i>Cas.</i>	W. N. Cameron.
"	..First Nat. Bank, Yoakum.....	W. B. Womack, <i>V. P.</i>.....	.....
"	..First Nat. Bank, Yoakum.....	W. B. Munson, <i>P.</i>	J. M. Ford.
"	..First Nat. Bank, Yoakum.....	John G. James, <i>V. P.</i>	F. R. Malone.
"	..First Nat. Bank, Yoakum.....	T. H. Mathis, <i>P.</i>	G. W. Fulton.
"	..First Nat. Bank, Yoakum.....	J. M. Whitmore, <i>Asst.</i>.....	.....

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
UTAH	..Bank of Brigham City, Brigham City.	{ J. T. Rich, <i>P.</i> J. D. Peters, <i>Cas.</i>	Oliver G. Snow. J. T. Rich.
"	..Commercial & Savings B'k, Mount Pleasant.	{ F. Ericksen, <i>Cas.</i>	S. J. Neilson.
VA.....	Bank of Mecklenburg, Boydton.	E. W. Overbey, <i>Cas.</i>	C. N. Williams.
"	Chatham Sav. B'k, Chatham.	J. R. Whitehead, <i>P.</i>	J. H. Hargrave.
"	Peoples Nat. B'k, Leesburg.	E. V. White, <i>P.</i>	Joseph D. Baker.
"	First Nat. B'k, Lynchburg.	E. A. Biggers, <i>Asst.</i>	
"	Mount Jackson Nat. B'k, Mount Jackson.	{ J. L. Brenaman, <i>Asst.</i>	
"	Bank of Wytheville.	S. R. Sayers, <i>P.</i>	J. C. Green.
W. VA.	Nat. B'k of Martinsburg.	Geo. M. Bowers, <i>V. P.</i>	H. N. Deatrick.
"	Commercial B'k, Wheeling.	M. Jeffers, <i>Cas.</i>	F. C. Hildreth.
WASH..	First Nat. Bank, Anacortes.	Geo. F. Kyle, <i>P.</i>	
"	Citizens National Bank, Dayton.	{ H. H. Wolfe, <i>P.</i> Andrew Nilsson, <i>V. P.</i>	G. A. Parker. H. H. Wolfe.
"	First Nat. B'k, Goldendale.	O. D. Sturgess, <i>Cas.</i>	F. W. Patterson.
"	Capital National Bank, Olympia.	{ C. J. Lord, <i>P.</i> W. J. Foster, <i>Cas.</i>	F. M. Wade. C. J. Lord.
"	National B'k of Commerce, Seattle.	{ M. D. Ballard, <i>P.</i> H. C. Henry, <i>V. P.</i>	Richard Holyoke. M. D. Ballard.
"	Nat. Bank of Commerce, Tacoma.	{ Chester Thorne, <i>P.</i>	F. M. Wade.
"	First National Bank, Waterville.	{ R. S. Steiner, <i>P.</i> Frank Ford, <i>V. P.</i>	W. R. Ballard. R. S. Steiner.
"		A. E. Case, <i>Cas.</i>	W. L. Wilson.
Wis....	First Nat. B'k, Grand Rapids.	J. W. Cameron, <i>V. P.</i>	
"	La Crosse National Bank, La Crosse.	{ John Paul, <i>P.</i> W. W. Cargill, <i>V. P.</i>	
"	Milwaukee National Bank, Milwaukee.	{ W. Strohmeyer, <i>Asst.</i>	
"	State Bank, Phillips.	{ A. D. Lunt, <i>P.</i> E. H. Winchester, <i>Cas.</i>	B. W. Davis. L. Rossman.
"	First Nat. B'k, Shullsburg.	Wm. Look, <i>P.</i>	Joseph Copeland.
WYO..	Wyoming Nat. B'k, Laramie.	D. C. Bacon, <i>P.</i>	R. H. Homer.
ONT....	Dominion B'k, Brampton.	M. E. Holden, <i>Mgr.</i>	W. W. Nation.
"	Standard Bank, Chatham.	G. P. Scholfield, <i>Mgr.</i>	Robt. N. Rogers.
"	Merchants B'k of Canada, Gananoque.	{ W. G. Hinds, <i>Mgr.</i>	T. Jemmett.
"	Dominion Bank (Market Branch), Toronto.	{ W. W. Nation, <i>Mgr.</i>	T. G. Brough.

* Deceased.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from March No., page 709.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ALA....	Tuskegee.....	Bank of Tuskegee.....	Hanover National Bank.
	\$50,000	C. U. Thompson, <i>P.</i>	John H. Drakeford, <i>Cas.</i>
ARK....	Hope.....	Bank of Hope.....	Western National Bank.
	\$50,000	Judson T. West, <i>P.</i>	Stuart R. Oglesby, <i>Cas.</i>
		W. Y. Foster, <i>V. P.</i>	
CAL....	Los Angeles.....	Union Bank of Savings....	.....
	\$40,000	M. W. Stimson, <i>P.</i>	William E. McVay, <i>Cas.</i>
		Wm. Ferguson, <i>V. P.</i>	
"	San Diego.....	Merchants National Bank..	.....
	\$100,000	M. A. Weir, <i>P.</i>	
COL....	Denver.....	Mercantile Bank.....	.....
	\$50,000	Christopher C. Gird, <i>P.</i>	Robt. C. Lockwood, <i>Cas.</i>
		Wm. N. Byers, <i>V. P.</i>	
"	Trinidad.....	Trinidad Savings Bank....	Seaboard National Bank.
	\$25,000	L. H. Turner, <i>P.</i>	W. H. Robinson, <i>Cas.</i>
		Frank G. Bloom, <i>V. P.</i>	
CONN...	Bridgeport.....	Burr & Knapp.....	.....
			A. Pennoyer, <i>Cas.</i>
DAK. S.	Bristol.....	State Bank of Bristol.....	Chase National Bank.
	\$3,700	P. W. McAllen, <i>P.</i>	Chas. E. McAllen, <i>Cas.</i>
		Thos. McAllen, <i>V. P.</i>	
"	Delmont.....	Delmont State Bank.....	.....
	\$5,000	D. W. King, <i>P.</i>	George W. Swengel, <i>Cas.</i>
		L. C. Lessenich, <i>V. P.</i>	
"	Fulton.....	Fulton State Bank.....	National Bank of Republic.
	\$10,000	Ed. C. Brown, <i>P.</i>	W. S. Eisenhart, <i>Cas.</i>
		E. B. Northrup, <i>V. P.</i>	
"	Parkston.....	Hutchinson Co. Bank.....	Seaboard National Bank.
	\$10,000	E. A. Leach, <i>P.</i>	William H. Shaw, <i>Cas.</i>
		F. E. Blackinton, <i>V. P.</i>	
"	Spearfish.....	First National Bank.....	.....
	\$50,000	G. C. Favorite, <i>P.</i>	W. M. Baird, <i>Cas.</i>
		Anson Higby, <i>V. P.</i>	
FLA....	Palm Beach.....	Dade Co. State Bank.....	.....
	\$15,000	John H. Brelsford, <i>P.</i>	Geo. L. Branning, <i>Cas.</i>
		E. N. Dimick, <i>V. P.</i>	
GA.....	Louisville.....	Bank of Louisville.....	.....
	\$25,000	Wm. S. Witham, <i>P.</i>	L. R. Farmer, <i>Cas.</i>
		S. M. Clark, <i>V. P.</i>	
ILL....	Chicago.....	Chicago Loan & Trust Co.....	United States National Bank.
	\$500,000	Geo. E. Wilson, <i>P.</i>	Hiram A. Sherwood, <i>Cas.</i>
		Wm. Wharton, <i>V. P.</i>	
"	Chicago.....	E. W. Zander & Co.....	Western National Bank.
		Edward W. Zander, <i>P.</i>	John Harmon, <i>Cas.</i>
"	Edinburg.....	Citizens State Bank.....	.....
	\$25,000	Geo. H. Waters, <i>P.</i>	Levi C. Carlin, <i>Cas.</i>
		Wm. H. Brownback, <i>V. P.</i>	A. H. Vandever, <i>Asst.</i>
"	Girard.....	Peoples Bank.....	.....
		J. N. McElvain, <i>P.</i>	J. O. Burton, <i>Cas.</i>
		W. S. Garretson, <i>V. P.</i>	
"	Kankakee.....	Kankakee Co. Sav. Bank..	.....
	\$50,000	Solon Knight, <i>P.</i>	H. M. Stone, <i>Cas.</i>
		S. B. Burchard, <i>V. P.</i>	
"	Mattoon.....	Mattoon State Sav. Bank	.....
	\$50,000	James H. Clark, <i>P.</i>	J. A. Montague, <i>Cas.</i>
		C. B. Ensign, <i>V. P.</i>	
IND....	Indianapolis.....	State Bank of Indiana.....	Fourth National Bank.
	\$200,000	Sterling R. Holt, <i>P.</i>	James R. Henry, <i>Cas.</i>
		W. T. Durbin, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IND.....	Noblesville.....	First National Bank.....	Hanover National Bank.
	\$50,000	Marion Aldred, <i>P.</i>	Geo. S. Christian, <i>Cas.</i>
		Geo. M. Snyder, <i>V. P.</i>	
IND. T. So.	McAlester.....	South McAlester Bank.....	Chase National Bank.
	\$52,000	Gus. A. Gill, <i>P.</i>	Chas. W. Copeland, <i>Cas.</i>
		Henry T. Jackman, <i>V. P.</i>	
IOWA....	Adel.....	Dallas Co. Sav. Bank.....	National Park Bank.
	\$25,000	J. Willard Russell, <i>P.</i>	William Roberts, <i>Cas.</i>
		D. A. Blanchard, <i>V. P.</i>	B. F. Kauffman, <i>ad V. P.</i>
"	.. Alton	German Savings Bank.....	
	\$16,000	Charles D. Tidrick, <i>P.</i>	Michael A. Sulzer, <i>Cas.</i>
"	.. Boone.....	Security Savings Bank.....	Nat. Bank of North America.
	\$25,000	Samuel L. Moore, <i>P.</i>	Wm. H. Crooks, <i>Cas.</i>
		C. J. A. Ericson, <i>V. P.</i>	Otto C. Herman, <i>Asst.</i>
"	.. Buffalo Center..	Bank of Buffalo Center.....	Chase National Bank.
	\$25,000	O. A. Olson, <i>P.</i>	Jos. S. Ulland, <i>Cas.</i>
		J. E. Howard, <i>V. P.</i>	
"	.. Des Moines.....	German Savings Bank.....	American Exchange Nat. Bank.
	\$50,000	Francis Geneser, <i>P.</i>	Joseph W. Geneser, <i>Cas.</i>
		J. D. Whisenand, <i>V. P.</i>	
"	.. Forest City.....	First National Bank.....	American Exchange Nat. Bank
	\$50,000	B. A. Plummer, <i>P.</i>	Wm. O. Hanson, <i>Cas.</i>
		Eugene Secor, <i>V. P.</i>	Robt. C. Plummer, <i>Asst.</i>
"	.. Goodell.....	State Savings Bank.....	
	\$10,000	Marion A. Fell, <i>P.</i>	Geo. W. Robinson, <i>Cas.</i>
		Chas. M. Church, <i>V. P.</i>	
"	.. Hartley	First National Bank.....	
	\$50,000	J. P. Gross, <i>P.</i>	E. E. Hall, <i>Cas.</i>
		W. M. Smith, <i>V. P.</i>	J. B. Hall, <i>Asst.</i>
"	.. Iowa Falls	Home Savings Bank.....	National Bank of Republic.
	\$25,000	W. H. Woods, <i>P.</i>	Frank E. Foster, <i>Cas.</i>
		Wm. Welden, <i>V. P.</i>	
"	.. Oto	Oto Bank.....	
	\$10,000	P. Morris, <i>P.</i>	Frank A. Welch, <i>Cas.</i>
		John R. Welch, <i>V. P.</i>	
"	.. Plover.....	Plover Savings Bank.....	
	\$10,000	A. O. Garlock, <i>P.</i>	W. S. McEwen, <i>Cas.</i>
		W. D. McEwen, <i>V. P.</i>	
"	.. Prescott.....	Prescott State Sav. Bank..	Gilman, Son & Co.
	\$10,000	G. H. Currier, <i>P.</i>	J. A. Lovejoy, <i>Cas.</i>
		W. H. Crammer, <i>V. P.</i>	
KAN....	Horace.....	Citizens Bank.....	Kountze Bros.
	\$5,000	F. J. Cretcher, <i>P.</i>	J. S. McMurtry, <i>Cas.</i>
"	.. Milan.....	Farmers & Merchants B'k..	American Exchange Nat. Bank.
	\$10,000	A. Branaman, <i>P.</i>	M. L. Haworth, <i>Cas.</i>
"	.. Newton.....	First State Bank.....	Fourth National Bank.
	\$50,000	C. M. Beachy, <i>P.</i>	John B. Olinger, <i>Cas.</i>
		John C. Johnston, <i>V. P.</i>	S. C. Haines, <i>Asst.</i>
"	.. Victoria.....	Bank of Victoria.....	
	\$5,000	B. Brumgarat, <i>P.</i>	
"	.. Wilson.....	Bohemian State Bank.....	Western National Bank.
	\$15,000	W. B. Power, <i>P.</i>	J. F. Tobias, <i>Cas.</i>
		Jos. Tampier, <i>V. P.</i>	
LA.....	Bastrop.....	Bastrop State Bank.....	Hanover National Bank.
	\$50,000	James Bussey, <i>P.</i>	Alex. B. Marks, <i>Cas.</i>
		Sam. Wolff, <i>V. P.</i>	
"	.. Delhi.....	Delhi State Bank.....	Chase National Bank.
	\$50,000	J. Wisner, <i>P.</i>	Nathan L. Rowe, <i>Cas.</i>
		Edward Wisner, <i>V. P.</i>	
"	.. Morgan City....	Bank of Morgan City.....	United States National Bank.
	\$25,000	M. Coguenhem, <i>P.</i>	Edwin E. Roby, <i>Cas.</i>
		John M. Pharr, <i>V. P.</i>	
"	.. Wisner	Franklin Parish Bank.....	Seaboard National Bank.
	\$50,000	Edward Wisner, <i>P.</i>	Alvah A. Bush, <i>Cas.</i>
		A. A. Bush, <i>V. P.</i>	
MICH...	Fairgrove	Bank of Fairgrove.....	
		(Hinkley & Co.)	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MICH...	Ithaca.....	Ithaca Savings Bank.....	Chase National Bank.
	\$35,000	Geo. A. Steel, <i>P.</i>	Chas. A. Price, <i>Cas.</i>
		C. Waterbury, <i>V. P.</i>	
" ..	Tecumseh.....	Lilley State Bank.....	Importers & Traders Nat. Bank.
	\$40,000	Lucius Lilley, <i>P.</i>	Lester P. Tribou, <i>Cas.</i>
		Albert L. Brewer, <i>V. P.</i>	
MINN...	Virginia.....	Bank of Virginia.....	Chase National Bank.
		O. D. Kinney, <i>P.</i>	E. Z. Griggs, <i>Cas.</i>
		A. E. Humphreys, <i>V. P.</i>	
MISS...	Wesson.....	Bank of Wesson.....	United States National Bank.
	\$30,000	Robt. L. Saunders, <i>P.</i>	Wm. M. Anderson, <i>Cas.</i>
		Wm. A. Atkinson, <i>V. P.</i>	
MO.....	Brookfield.....	Brownlee Banking Co.....	
		Wm. H. Brownlee, <i>P.</i>	Walter Brownlee, <i>Cas.</i>
		S. E. Crance, <i>V. P.</i>	R. S. Brownlee, <i>Asst.</i>
" ..	Corder.....	Columbian Bank.....	
	\$10,000	H. F. Kleinschmidt, <i>P.</i>	Wm. M. Groves, <i>Cas.</i>
" ..	Rogersville.....	Bank of Rogersville.....	
	\$5,000	Andrew McHaffie, <i>P.</i>	I. N. Rogers, <i>Cas.</i>
		R. S. Watts, <i>V. P.</i>	J. H. Fulbright, <i>Asst.</i>
" ..	Sedalia.....	Bank of Commerce.....	
	\$50,000	John J. Yeater, <i>P.</i>	Adam Ittel, <i>Cas.</i>
		Frank B. Meyer, <i>V. P.</i>	
" ..	Shelbyville.....	Shelbyville Bank.....	Chase National Bank.
	\$12,000	P. B. Dunn, <i>P.</i>	L. G. Schofield, <i>Cas.</i>
NEB....	Butte.....	Citizens State Bank.....	
	\$10,000	Will D. Forbes, <i>P.</i>	Davis W. Forbes, <i>Cas.</i>
		James Forbes, <i>V. P.</i>	
" ..	Gothenburg.....	First National Bank.....	
	\$50,000	L. G. Lloyd, <i>P.</i>	Con W. Lloyd, <i>Cas.</i>
			Kountze Bros.
" ..	Nemaha City.....	Gilbert Bank.....	
	\$5,000	Henry C. Gilbert, <i>P.</i>	Stephen Gilbert, <i>Cas.</i>
" ..	Plainview.....	Plainview State Bank.....	
	\$12,500	John F. Hecht, <i>P.</i>	Ernest E. White, <i>Cas.</i>
		John Roush, <i>V. P.</i>	
" ..	Wayne.....	State Bank of Wayne.....	Tradesmens National Bank.
	\$75,000	Nelson Grimsby, <i>P.</i>	Dan Harrington, <i>Cas.</i>
		Henry Ley, <i>V. P.</i>	
N. J....	Princeton.....	First National Bank.....	Chase National Bank.
	\$50,000	A. S. Leigh, <i>P.</i>	S. H. Blackwell, <i>Cas.</i>
		Chas. B. Moore, <i>V. P.</i>	
N. Y...	Brooklyn.....	Union Bank.....	Third National Bank.
	\$100,000	Stephen M. Griswold, <i>P.</i>	James T. Ashley, <i>Cas.</i>
		John McCarty, <i>V. P.</i>	John Pullman, <i>V. P.</i>
" ..	Cobleskill.....	Farmers & Merchants B'k..	
	\$50,000	David Hubbs, <i>P.</i>	John R. Becker, <i>Cas.</i>
		Jared Van Wagenen, <i>V. P.</i>	
" ..	Dolgeville.....	Potter & Marsden.....	Henry Clews & Co.
			F. F. Potter, <i>Cas.</i>
			E. R. Potter, <i>Asst.</i>
" ..	Hempstead.....	First National Bank.....	National Park Bank.
	\$50,000	August Belmont, <i>P.</i>	Carroll F. Norton, <i>Cas.</i>
		Chauncey Bedell, <i>V. P.</i>	
" ..	Morris.....	First National Bank.....	
	\$50,000	Delos I. Lawrence, <i>P.</i>	Frank T. Barker, <i>Cas.</i>
		A. E. Potter, <i>V. P.</i>	
" ..	Port Henry.....	Citizens National Bank.....	
	\$50,000	Walter Merrill, <i>P.</i>	Eugene Wyman, <i>Cas.</i>
		Chester B. McLaughlin, <i>V. P.</i>	
" ..	Rochester.....	Alliance Bank.....	National Park Bank.
	\$150,000	Geo. W. Thayer, <i>V. P.</i>	Albert O. Fenn, <i>Cas.</i>
" ..	Tonawanda.....	First National Bank.....	Southern National Bank.
	\$100,000	Geo. F. Rand, <i>P.</i>	Henry P. Smith, <i>Cas.</i>
		Alex. C. Campbell, <i>V. P.</i>	
N. C....	Laurinburg.....	Bank of Laurinburg.....	Chase National Bank.
	\$20,000	Alex. L. James, <i>P.</i>	Thomas J. Gill, <i>Cas.</i>
		Walter H. Neal, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
N. C....	Rutherfordton..	Commercial Bank.....	National Park Bank
	\$21,151	(Carpenter & Morrow.)	
OHIO...	Belmont.....	First National Bank.....	Chase National Bank.
	\$50,000	Nathan B. Nichols, <i>P.</i>	William Kinney, <i>Cas.</i>
		Wilber L. Broomhall, <i>V. P.</i>	
" ..	Hicksville	First National Bank.....	First National Bank.
	\$50,000	Francis N. Horton, <i>P.</i>	Wm. E. Dittenhaver, <i>Cas.</i>
		James Casebeer, <i>V. P.</i>	
" .	Lancaster.....	Farmers & Citizens Bank..	Chase National Bank.
	\$30,000	Samuel Whiley, <i>P.</i>	Frederick C. Whiley, <i>Cas.</i>
		Jacob Keller, <i>V. P.</i>	
" ..	Lorain.....	Citizens Savings Bank Co..	Chase National Bank.
	\$50,000	John Stang, <i>P.</i>	Theo. F. Daniels, <i>Cas.</i>
		Chas. Hahn, <i>V. P.</i>	Ed. A. Baun, <i>Asst.</i>
" ..	Painesville	Dollar Savings Bank Co...	Western National Bank.
	\$50,000	J. J. Harrison, <i>P.</i>	Wilbur F. Smith, <i>Sec. & Tr.</i>
		John R. Morley, <i>V. P.</i>	Harley Barnes, <i>V. P.</i>
OKL. T.	Mulhall.....	Bank of Mulhall.....	National Park Bank.
	\$10,000	Theo. F. Rhodes, <i>P.</i>	D. C. Dwinell, <i>Cas.</i>
		Ed. L. Donohoe, <i>V. P.</i>	
ORE....	Newberg	Chehalem Valley Bank....	Western National Bank.
	\$20,000	G. W. Mitchell, <i>P.</i>	Moses Votaw, <i>Cas.</i>
		A. R. Mills, <i>V. P.</i>	
" ..	Portland.....	Hibernia Savings Bank....	
	\$50,000	Dennis W. Crowley, <i>P.</i>	Martin W. Gorman, <i>Cas.</i>
PA.....	Mt. Pleasant....	Farmers & Mer. Nat. B'k...	
	\$50,000	R. K. Hissem, <i>P.</i>	P. W. Morgan, <i>Cas.</i>
" ..	Pittsburgh	Lincoln National Bank....	
	\$200,000	Chas. B. McLean, <i>P.</i>	Wm. R. Christian, <i>Cas.</i>
" ..	Reading	Reading National Bank...	First National Bank.
	\$200,000	Jas. T. Reber, <i>P.</i>	John M. Bertolet, <i>Cas.</i>
TEXAS..	Alvin	Alvin Bank	Kountze Bros.
		(Samuel & Wilbanks.)	
" ..	Dublin	Dublin National Bank....	
	\$50,000	T. Y. Lewis, <i>P.</i>	J. G. Harris, <i>Cas.</i>
" ..	Pecos.....	Pecos Valley Bank.....	Seaboard National Bank.
	\$30,000	John Scharbauer, <i>P.</i>	Wm. D. Johnson, <i>Cas.</i>
		R. D. Gage, <i>V. P.</i>	
" ..	Strawn.....	Stock Traders Bank.....	
	\$50,000	W. W. Johnson, <i>P.</i>	R. S. Weitzell, <i>Cas.</i>
VA....	Boydton	Williams & Goode.....	Importers & Traders Nat. Bank.
	\$14,000		
W. VA..	Sistersville.....	Tyler Co. Bank.....	Seaboard National Bank.
	\$6,250	Edwin A. Durham, <i>P.</i>	Alvin C. Jackson, <i>Cas.</i>
WASH..	Ballard	Marine Savings Bank.....	United States National Bank.
	\$50,000	David T. Denny, <i>P.</i>	I. Walter Cruthers, <i>Cas.</i>
WIS....	Cambridge.....	International Bank.....	
		J. D. Waterbury, <i>P.</i>	E. P. May, <i>Cas.</i>
		C. C. May, <i>V. P.</i>	
" ..	East Troy.....	State Bank.....	Seaboard National Bank.
	\$15,000	Harrold H. Rogers, <i>P.</i>	John Pitts Chafin, <i>Cas.</i>
		Perry O. Grist, <i>V. P.</i>	
" ..	Platteville.....	Platteville State Bank....	
	\$30,000	J. P. Huntington, <i>P.</i>	Morton Eastman, <i>Cas.</i>
		D. J. Gardner, <i>V. P.</i>	
" ..	So. Milwaukee..	So. Milwaukee Nat. Bank..	
	\$50,000	S. McCord, <i>P.</i>	E. B. Ingalls, <i>Cas.</i>
" ..	West Superior..	Northwestern Nat. Bank...	National Park Bank.
	\$300,000	Homer T. Fowler, <i>P.</i>	Chris. Julsrud, <i>Cas.</i>
		James Ferguson, <i>1st V. P.</i>	Walter Fowler, <i>2d V. P.</i>
ONT....	Alvinston.....	Harrison & Rathburn.....	
			John E. W. Branan, <i>Cas.</i>

PROJECTED BANKING INSTITUTIONS.

- ALA....Anniston.....**W. J. Stevens Banking Co. W. J. Stevens and Wiley Hudson, incorporators.
- ..GreensboroNew bank organized; capital, \$50,000. Col. Derrick, President; S. Chadwick, Cashier. Directors: Dr. Potts, R. H. Stickney, W. B. Inge, Thos. Seay.
- CAL....Alameda.....**Encinal Commercial and Savings Bank; capital, \$100,000. Chas. S. Neal, President; J. F. Ward, Secretary.
- ..San Francisco..Columbian Banking Co.; capital, \$1,000,000. Directors: John Coop, I. J. Trueman, C. O. Perry, J. C. Currier, W. S. Muller, F. L. Turpin, E. E. Potter.
 - ..Valley Ford....Dairymen's Bank; capital, \$100,000. Directors: Hollis Hitchcock, W. D. Jones, A. P. Graves, P. Carroll, John D. Williams, D. Hakes, Solomon Lobenstein.
- CONN...Bridgeport.....**Dime Savings Bank.
- ..Bridgeport.....Bridgeport Banking and Trust Co.
 - ..Hartford.....Capitol Bank; capital, \$50,000. Stockholders: Thomas Sisson, Ward W. Jacobs, Lester L. Ensworth, Jas. H. Knight, Henry A. Whitman, R. Balletstein, L. F. Robinson, and others.
 - ..WatertownWatertown Savings Bank.
- DEL....Dover.....**Peoples Guarantee and Trust Co.; capital, \$50,000. Stockholders: Samuel W. Hall, Richard R. Kenney, Edwin S. Anderson, E. T. Cooper, Thos. V. Cahall and others.
- GA.....LexingtonArnold & Stewart, bankers.**
- ..Waycross.....A. M. Knight is starting a bank at this place.
- ILL....Freeburg.....**New bank to be established.
- ..Manteno.....Citizens State Bank; capital, \$25,000.
 - ..St. Charles....St. Charles State Bank; capital, \$20,000. Organizers: Edson W. Lyman, Cornelius D. Paine, Harry Fox.
 - ..Virden.....Dr. W. A. Shriver starting bank.
- IND....Indianapolis....**New trust company formed; capital, \$250,000.
- IOWA.. Cleghorn.....**Cleghorn State Bank; capital, \$35,000. F. D. Kennedy, President; George R. Long, Cashier.
- ..Council Bluffs..Empire Trust Co.; capital, \$200,000. Stockholders: J. W. Wright, James Darrah, A. C. Wilcox.
 - ..Des Moines....Bankers Iowa State Bank; capital, \$200,000. Albert Head, Jefferson, President; O. H. Galock, Vice-President; V. F. Newell, Cashier.
 - ..Des Moines....Savings Bank of Iowa; capital, \$50,000. Incorporators: Frank A. Baylies, Frank W. Vorse, G. Van Ginkel, W. H. Arnold, G. M. Holmes, W. S. Barnett, A. H. Mershon.
 - ..Farnhamville...Bank of Farnhamville. H. W. Beacham, President; Chas. Beacham, Cashier.
 - ..Hazleton.....A State bank organized with capital of \$25,000. W. G. Kiefer, President; T. E. McCwidly, Cashier.
 - ..St. Joseph.....W. T. Bradford, of Charter Oak, is starting a bank at St. Joseph.
 - ..Whittemore....New State bank organized with \$50,000 capital.
- KAN....Chetopa.....**Neosho Valley Bank; capital, \$15,000. Directors: E. W. Bedell, E. W. Minturn, L. M. Bedell, Chetopa; J. E. Jones, Robert Simons, Alfred Sharpless, W. H. Darlington, Westchester, Pa.
- ..Horton.....Farmers State Bank; capital \$20,000. Directors: George Pierce, P. J. Clevenger, L. Reynolds, William Page, A. J. Thompson, of Horton; T. C. Honnell, Everest; J. M. Clevenger, Polo, Mo.

- KAN....** Milan.....Farmers and Merchants Bank; capital, \$10,000. Mark Heyworth, Cashier.
- ..Russell Springs.Logan County Bank; capital, \$10,000. Directors: Lewis E. Chase, of Fredonia; E. A. Chase, J. W. Jones, J. R. Childers, W. O. Disney, of Russell Springs.
- KY....** Fordsville.....John J. McHenry, of Hartford, is starting a bank at Fordsville.
- LA....** New Orleans...New savings bank started. Mr. A. B. Wheeler, of Moore, Hyams & Co., President.
- ..New Orleans...Provident Savings Bank and Safe Deposit Co.; capital, \$100,000. Organizers: A. Baldwin, Henry Gardes, Geo. W. Nott, Wm. P. Nicholson, L. C. Fallon, Carl Kohn and others.
- ME....** Newport.....Hon. I. C. Libby and Hon. Wm. T. Haines, of Waterville, are starting new bank at Newport.
- MD....** SalisburyNew savings bank opened.
- MASS...** Beverly.....New bank to be started.
- ..Boston.....Sawyer, Clarke & Co., bankers, 40 Congress Street. Firm composed of Arthur M. Sawyer, Botsford R. Clarke, and Harmon S. Bassett.
 - ..Holyoke.....A French National bank to be started.
 - ..Worcester.....Merchants National Bank; capital, \$200,000. L. E. Moore, President.
- MICH...** Adrian.....Adrian Savings Bank; capital, \$100,000.
- ..Berrien Sp'ngs..New bank to be established.
 - ..FlintUnion Trust and Savings Bank. Chas. T. Bridgman, President; Matthew Davison, Vice-President; Ira H. Wilder, Cashier.
 - ..Gaylord.....Gaylord State Bank; capital, \$15,000.
 - ..Lake City.....Lake City Bank. A. C. Lewis, Cashier.
 - ..Wyandotte....First Commercial and Savings Bank. Apply, James T. Hurst.
- MINN...** Lake Benton...New State Bank organized, with capital of \$25,000.
- ..Minneapolis...Germania Bank; capital, \$50,000. Otto Naegele will be Cashier.
 - ..Minneapolis...A. C. Haugan, John G. Field, Frank G. McMillan, Joseph E. Ware and W. F. Decker are starting a State bank on the East Side; capital, \$50,000.
- MISS...** Biloxi.....Bank of Biloxi; capital, \$25,000. C. F. Theobald, President; L. Loper, Vice-President; E. J. Buck, Cashier.
- MO....** St. Louis.....Mercantile Trust Co.; capital, \$1,000,000. I. M. Mason, President; Henry Vogelsang, L. R. Blackmer, J. B. Case, Directors.
- ..West Plains...Farmers and Traders Bank; capital, \$30,000. S. T. Canterbury, of Butler, Mo., Cashier.
- NEB....** Eddyville.....Bank of Eddyville opened.
- ..VirginiaBank of Virginia, incorporated. Those interested are George W. Hawke, C. Chapman, M. E. Catron, E. K. Bradley, of Nebraska City.
- N. H...** Berlin.....Berlin Savings Bank.
- N. J....** Blairstown.....\$30,000 capital has been subscribed for a new bank.
- ..Union\$500,000 has been subscribed for a new trust and savings institution to be organized in Union Hill.
- N. Y...** Liberty.....New State bank to be established.
- ..Westchester...Bank of Westchester; capital, \$50,000. Directors: Alfred H. Morris, Wm. H. Birchall, Joshua Mallett, Westchester; T. W. Barnes, Chas. E. Coddington, New York; Samuel R. Smith, Freeport; Thos. Henderson, Far Rockaway.
 - ..White Plains...White Plains State Bank; capital, \$50,000. David Cromwell, President; Chas. Prophet, Cashier.
 - ..White Plains...Home Savings Bank. David B. Cromwell, President; Charles Prophet, Cashier.

- N. C.... Wilmington.... Citizens Savings Bank, Incorporators: David G. Worth, L. Vollers, D. MacRae, M. Bellamy, G. Holmes, H. L. Vollers and others.
- PA..... Olyphant Bank of Olyphant started.
- S. C.... Allendale Farmers Bank; capital, \$25,000. Directors: J. C. Miller, Wm. A. All, Sr., J. O. Bronson, B. W. Martin, Jos. F. Bronson, J. J. Furse, John P. Gray.
- S. DAK.. Mellette..... Ed. C. Issenhuth, Huron; Hon. W. W. Taylor and C. H. Vinton, Redfield, are starting a bank at Mellette.
- TENN.. Chattanooga... Chattanooga Banking and Storage Co.; capital, \$500,000. W. E. Aschcraft, President W. H. Hackney, Vice-President; John R. Wallace, Cashier.
- WASH.. Seattle..... Tucker-Potter Trust Co.; capital, \$100,000. Incorporators: Julius S. Potter, Fred S. Tucker, and W. W. Hammond, of Peoria, Ill.
- " .. Spokane..... Commercial Savings Bank; capital, \$50,000. G. F. Edmiston, President; D. K. McDonald, Manager.
- Wis.... Palmyra..... New State bank organized; capital, \$25,000. Stockholders: Christie Carlin and E. M. Johnson, of Whitewater.
- NOVA S. Halifax..... Eastern Trust Co.; capital, \$200,000. Directors: T. E. Kenny, John Doull, Adam Burns, Thomas Ritchie, G. J. Troop, J. C. MacIntosh, T. Fysche, J. W. Allison and others.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during March, 1893.

- GA..... Atlanta..... Third National Bank, by H. M. Atkinson and associates.
- ILL.... Carbondale.... First National Bank, by E. Mitchell, Chicago, Ill., and associates.
- " .. Chicago..... Unity National Bank, by John W. Lanehart and associates.
- " .. Chicago..... West Chicago National Bank, by Morgan L. Martin and associates.
- " .. Stockton... .. First National Bank, by M. K. Hammond and associates.
- IND.... Vincennes..... Second National Bank, by Allen Tindolph and associates.
- IOWA... Audubon First National Bank, by Chas. Van Gorder and associates.
- MINN... Minneapolis Swedish-American National Bank, by N. O. Werner and associates.
- " .. St. Charles.... First National Bank, by Jas. F. Kingsland and associates.
- " .. Wadena..... Merchants National Bank, by J. J. Meyer and associates.
- " .. Wadena..... Wadena National Bank, by J. U. Barnes, Minneapolis, Minn., and associates.
- NEB.... De Witt..... First National Bank, by Charles B. Anderson and associates.
- N. Y.... Matteawan..... Matteawan National Bank, by S. K. Phillips and associates.
- OHIO... Ashtabula..... Merchants National Bank, by J. H. Hoyt, Cleveland, O., and associates.
- PA..... Ephrata..... Farmers National Bank, by H. G. Meixell, Pottstown, Pa., and associates.
- " .. Harrisburg.... Union National Bank, by C. H. Bergner and associates.
- " .. Philadelphia... Broad Street National Bank, by A. A. Yerkes and associates.
- " .. Pittsburgh.... Columbia National Bank, by Edward H. Jennings and associates.
- " .. Reynoldsville... First National Bank, by John H. Kaucher and associates.
- TEXAS.. Hempstead.... Farmers National Bank, by John G. James, Austin, Tex., and associates.
- " .. Quanah..... Quanah National Bank, by John S. Radford and associates.
- Wis.... Stevens Point.. Peoples National Bank, by R. C. Russell, Oshkosh, Wis., and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from March No., page 717.)

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4855	Franklin National Bank..... New York City	Ellis H. Roberts,	Nathan D. Daboll,	\$200,000
4858	Citizens National Bank..... Port Henry, N. Y.	Walter Merrill,	Eugene Wyman,	50,000
4864	First National Bank..... Belmont, O.	Nathan B. Nichols,	William Kinney,	50,000
4865	Dublin National Bank..... Dublin, Tex.	T. Y. Lewis,	J. G. Harris,	50,000
4867	First National Bank..... Hicksville, O.	Francis N. Horton,	Wm. E. Dittenhaver,	50,000
4869	First National Bank..... Tonawanda, N. Y.	Geo. F. Rand,	Henry P. Smith,	100,000
4870	First National Bank..... Morris, N. Y.	Delos I. Lawrence,	Frank T. Barker,	50,000
4872	First National Bank..... Princeton, N. J.	A. S. Leigh,	S. H. Blackwell,	50,000
4873	Needles National Bank..... Needles, Cal.	Walter F. Crosby,	Frank W. Gove,	50,000
4874	First National Bank..... Spearfish, S. Dak.	G. C. Favorite,	W. M. Baird,	50,000
4876	Citizens National Bank..... McKeesport, Pa.	Samuel W. Shaw,	Bernard Volk, Jr.,	100,000
4880	First National Bank..... Hempstead, N. Y.	August Belmont,	Carroll F. Norton,	50,000
4881	First National Bank..... Hartley, Iowa		E. E. Hall,	50,000
4882	First National Bank..... Noblesville, Ind.	Marion Aldred,	Geo. S. Christian,	50,000
4883	Lincoln National Bank..... Pittsburgh, Pa.	Chas. B. McLean,	Wm. R. Christian,	200,000
4886	Merchants National Bank..... San Diego, Cal.	M. A. Weir,		100,000
4887	Reading National Bank..... Reading, Pa.	Jas. T. Reber,	John M. Bertolet,	200,000
4889	First National Bank..... Forest City, Iowa.	B. A. Plummer,	W. O. Hanson,	50,000
4890	First National Bank..... Gothenburg, Neb.	L. C. Lloyd,	Con W. Lloyd,	50,000
4892	Farmers and Merch. Nat. Bk... Mt. Pleasant, Pa.	R. K. Hissem,	P. W. Morgan,	50,000
4893	So. Milwaukee Nat. Bank..... So. Milwaukee, Wis.	S. McCord,	E. B. Ingalls,	50,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from March No., page 719.)

ALA....	Mobile.....	Alabama National Bank reported closed.
"	Tuskegee.....	C. U. Thompson & Co. succeeded by Bank of Tuskegee.
COL....	Brighton.....	Bank of Brighton (W. G. Lovelace) now Failing & Hurst, proprietors.

- COL....Cripple Creek..Bank of Cripple Creek (J. M. Parker & Co.) succeeded by First National Bank.
- ..Fort Collins....Poudre Valley Bank incorporated.
- DAK.N..LangdonBank of Langdon closed.
- DAK. S..Bristol.....Bristol Bank succeeded by State Bank of Bristol, incorporated.
- ..Onida.....Sully Co. Bank closed.
 - ..Yankton.....Geo. R. Scougal & Co. discontinued.
- FLA....Bartow.....Bank of Bartow sold out to Polk Co. National Bank.
- ..Orlando.....Citizens National Bank has gone into voluntary liquidation.
 - ..UmatillaBranch Bank of Tavares succeeded by John Clark & Co.
- ILL....Auburn Park...Auburn Park Bank closed.
- ..Galva.....Bank of Galva closed.
 - ..SmithfieldBanking House of J. C. Reynolds & Sons now Bank of Smithfield.
- IND....Garrett.....Garrett Banking Co. incorporated, same officers and correspondents.
- ..Noblesville....Hamilton Co. Bank succeeded by First National Bank.
- IOWA...Forest City...City Bank (Plummer, Secors & Hanson) succeeded by First National Bank.
- ..Larrabee.....Bank of Larrabee succeeded by Larrabee Savings Bank, incorporated, same officers.
 - ..Plover.....Bank of Plover succeeded by Plover Savings Bank.
 - ..Storm Lake....Buena Vista Co. Bank succeeded by Buena Vista State Bank, same officers and correspondents.
- KAN....AuroraBank of Aurora succeeded by D. H. Atwood.
- ..Atchison.....Kansas Trust and Banking Co. closed.
 - ..Burrtion.....Bank of Burrtion succeeded by Burrtion Bank, incorporated, same officers and correspondents.
 - ..Frederick.....Frederick State Bank sold out to Bank of Frederick.
 - ..HartfordI. A. Taylor succeeded by I. A. Taylor Banking Co., incorporated.
 - ..HoraceCitizens Exchange Bank succeeded by Citizens Bank, private.
 - ..Newton.....Citizens Bank succeeded by First State Bank, incorporated.
 - ..Ottawa.....Ottawa State Bank bought out by Bank of Ottawa.
- MASS...Boston.....Lombard Investment Co. ordered to discontinue business in Massachusetts.
- MICH...Plainwell.....Plainwell Exchange Bank (Soule & Hicks) now Soule, Hicks & Soule, proprietors.
- ..Stanton.....Webber & Chapin succeeded by C. W. Chapin & Co.
 - ..Tecumseh.....Bank of Tecumseh (Lilley, Bidwell & Co.) succeeded by Lilley State Bank.
- MINN...WasecaCitizens Bank succeeded by Citizens State Bank, incorporated.
- NEB....Gothenburg...Peoples State Bank succeeded by First National Bank.
- ..Holdrege.....Farmers State Bank reported closed.
 - ..Murdock.....Bank of Murdock now Farmers Bank, incorporated.
- MO....CorderAmerican Bank succeeded by Columbian Bank, incorporated.
- ..Kansas City...Aetna National Bank has gone into voluntary liquidation.
 - ..LawsonCommercial Bank incorporated.
 - ..Shelbyville....Phil Dimmitt succeeded by Shelbyville Bank, incorporated.
 - ..St. Louis.....Citizens Savings Bank changed title to Citizens Bank.
- OHIO...Belmont.....Exchange Bank of Wm. Kinney & Co. now First National Bank.
- ..College Corner..Corner Bank now Farmers Bank, same officers.
 - ..Freeport.....Exchange Bank (I. J. Green) succeeded by Bank of Freeport (Paris & Nave).
 - ..Hicksville.....Merchants and Farmers Bank succeeded by First Nat. Bank.
 - ..Ironton.....Halsey C. Burr & Co. discontinued.

- PA.... Philadelphia.... Robt. Glendinning & Co. now Huhn & Glendinning.
 " .. Philipsburg.... Philipsburg National Bank changed title to First Nat. Bank.
 " .. Pittsburgh..... Masonic Bank succeeded by Lincoln National Bank.
 " .. Zelienople..... Lusk & Gelbach now Gelbach Bros.
- TENN... Knoxville..... Knoxville Savings Bank succeeded by Knoxville Banking Co.,
 same officers and correspondents.
 " .. Nashville..... Commercial National Bank closed.
 " .. Nashville..... Bank of Commerce closed.
- TEXAS.. Pecos..... W. D. Johnson & Co. succeeded by Pecos Valley Bank, private.
- VA..... Buena Vista... Bank of Buena Vista discontinued.
 " .. Martinsville.... Henry Co. Bank reported closed.
 " .. Scottsville..... Jacob L. Moon reported assigned.
- WASH. Kent..... Bank of Kent (Thos. Devine) now Osborne, Tremper & Co.,
 proprietors.
 " .. Kettle Falls... Goss Bros. now Wallace & Goss.
 " .. Tekoa..... Tekoa State Bank changed title to Commercial State Savings
 Bank.
- Wis... Dodgeville.... Dodgeville Bank (Sam'l W. Reese) now S. W. Reese & Son,
 proprietors.
 " .. West Superior.. State Bank of Wisconsin succeeded by Northwestern National
 Bank.
- ONT... Amherstburg... Ontario Bank discontinued.
 " .. Amherstburg... Falls Bros. now Cuddy-Falls Co.
 " .. Wyoming..... Alfred Westland succeeded by W. B. Collins & Co.

DEATHS.

BRADLEY.—On February 19, aged seventy-five years, C. T. BRADLEY, President of Milwaukee National Bank, Milwaukee, Wis.

CHICK.—On February 27, aged thirty-three years, FRANK N. CHICK, 2d Vice-President of National Bank of Kansas City, Mo.

COCKEY.—On March 20, aged seventy-nine years, JOHN G. COCKEY, President of Towson National Bank, Towson, Md.

GLENDINNING.—On March 5, aged fifty-four years, ROBERT GLENDINNING, senior partner of the firm of Robt. Glendinning & Co., Philadelphia, Pa.

GROOS.—On February 24, aged sixty-two years, CHAS. GROOS, of the firm of F. Groos & Co., San Antonio, Tex.

HALL.—On February 27, aged fifty-seven years, A. C. HALL, of the firm of Hall & Bennett, Virginia City, Mont.

JONES.—On March 1, aged eighty-four years, STEPHEN W. JONES, President of New York Savings Bank, New York City.

KINPORTS.—On March 8, aged seventy-two years, JOHN H. KINPORTS, President of Annville National Bank, Annville, Pa.

LEARY.—On February 22, aged sixty-three years, ARTHUR LEARY, Vice-President of National Park Bank, New York City.

NORTHROP.—On March 22, aged seventy-five years, H. M. NORTHROP, President of Northrup Banking Co., Kansas City, Kan.

ROGERS.—On March 15, aged fifty-nine years, WM. B. ROGERS, Vice-President and Treasurer of Western Savings Fund Society, Philadelphia, Pa.

TORREY.—On March 13, aged thirty-seven years, JAS. W. TORREY, Cashier of Philadelphia National Bank, Philadelphia, Pa.

WELLER.—On March 20, aged ninety years, GEORGE WELLER, President of Walden Savings Bank, Walden, N. Y.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, MARCH, 1893.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in March.					RAILROAD STOCKS.					MISCELLANEOUS.																								
GOVERNMENTS.	Interest Periods.	Open- ing.	High- est.	Low- est.	Class- ing.	Col. Coal & Iron.	Col. H. Valley & Tol.	Del. & Hudson.	Del., Lack. & W.	Den. & Rio Grande.	East Tenn. V & G.	Evansville & T. H.	Illinois Central.	Lake Erie and Western.	Lake Shore.	Long Shore.	Louisville and Nashville.	Louisville, N. Alb. & Chic.	Manhattan Consol.	Mexican Central.	Michigan Central.	Mill, L. S. & W.	Minn. & St. Louis.	Mo., Kan. & Texas.	Miscourt Pacific.	Nash. C. & St. L.	N. Y. C. & Hudson.	N. Y. C. & St. L.	N. Y., L. F. & W.	N. Y. & New Eng.	N. Y., Ont. & W.	N. Y., Sus. & W.	Norfolk & Western.	
25, 1007. reg.	Mar.	99 1/2	99 1/2	99 1/2	99 1/2	70	70	129 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
45, 1007. reg.	Jan.	111 1/2	113	111 1/2	113	20	20 1/2	130 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
45, 1007. comp.	Jan.	112 1/2	114	112 1/2	114	20	20 1/2	130 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
65, cur cy, 1895, reg.	Feb.	105	105	105	105	20	20 1/2	130 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
65, cur cy, 1896, reg.	Jan.	107 1/2	110	107 1/2	110	20	20 1/2	130 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
65, cur cy, 1897, reg.	Jan.	107 1/2	110	107 1/2	110	20	20 1/2	130 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
65, cur cy, 1898, reg.	July.	112 1/2	115	112 1/2	115	20	20 1/2	130 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
65, cur cy, 1899, reg.	July.	112 1/2	115	112 1/2	115	20	20 1/2	130 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
RAILROAD STOCKS.					Class- ing.	Col. Coal & Iron.	Col. H. Valley & Tol.	Del. & Hudson.	Del., Lack. & W.	Den. & Rio Grande.	East Tenn. V & G.	Evansville & T. H.	Illinois Central.	Lake Erie and Western.	Lake Shore.	Long Shore.	Louisville and Nashville.	Louisville, N. Alb. & Chic.	Manhattan Consol.	Mexican Central.	Michigan Central.	Mill, L. S. & W.	Minn. & St. Louis.	Mo., Kan. & Texas.	Miscourt Pacific.	Nash. C. & St. L.	N. Y. C. & Hudson.	N. Y. C. & St. L.	N. Y., L. F. & W.	N. Y. & New Eng.	N. Y., Ont. & W.	N. Y., Sus. & W.	Norfolk & Western.	
Atlantic & Pacific	4	8 1/2	8 1/2	8 1/2	8 1/2	70	70	129 1/2	147 1/2	106	53 1/2	151 1/2	105	107 1/2	110	112 1/2	115																	

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

MAY, 1893.

No. 11.

APPRECIATION OF GOLD

Mr. Courtney, one of the most intelligent writers on finance, has contributed an article to the April number of the *Fortnightly Review* on bimetallism in which the appreciation of the value of gold is assumed. Do the facts support this assumption? The question is very important, but not easily answered. Of course, all will admit that prices are much lower than they were a few years ago, measured by the gold standard. Can their decline, however, be ascribed to any movement in gold? It must be admitted that there has been a greatly increased demand for the metal within a few years, especially to enable some nations to establish a gold standard of payments, and also to fulfill gold loans. A very considerable amount of the precious metal has been required for the latter purpose. It is true that the gold thus employed is not withdrawn from circulation, like the gold purchased by Italy, Austria and other nations for resuming specie payments in that metal. When obtained for this purpose the gold is practically taken out of the commercial world and put away in vaults. But gold employed for ordinary Government loans soon comes into active use somewhere. This is the first fact to grasp in order to understand this question.

It must also be admitted that whenever the demand for any commodity is accelerated its price usually will advance. This is the law of trade. Demand is the most powerful influence operat-

ing on prices. It would seem, therefore, as though the value of gold ought to be affected by the larger demand therefor like the values of other things—wheat, corn, iron, etc. If one carried his inquiry no further he might speedily conclude that the increased demand for gold must have affected its value. Such would be the case with respect to all other commodities, and gold would follow the rule if there were not some peculiar facts attending the purchase and sale of it.

One of these peculiarities is that whatever be the amount withdrawn from circulation, some other money or substitute therefor is put in its place. Every one knows that a large amount of gold has been withdrawn from this country within a few years, and that the movement continues. Considered solely by itself this movement doubtless would have the effect of appreciating its value, but the truth is, which no one can deny, the place of gold withdrawn is soon filled by some other kind of money, and therefore prices are not affected thereby.

Let us look into the matter more closely. Suppose that five millions of gold were bought in New York last week by foreign bankers to supply Austria. How was this accomplished? Let us suppose that they sent over \$5,000,000 of American securities to pay for it. The securities are sold, the buyers paying legal tender notes or some other kind of money for them; or if they pay in checks money is ultimately obtained for them. With this money the gold is obtained by simple exchange. It cannot be maintained that the price of gold has in the least been appreciated by this transaction. The sellers of the securities did not obtain gold, they merely obtained legal tender notes, silver notes and the like. No one would contend, therefore, that this transaction between the seller and buyer of the bonds affected the price of gold. Nor would one contend that in demanding the payment of these representatives of gold by the Government there was any appreciation. This transaction consisted solely in the substitution of one kind of money for another. The price of gold was not affected because none was demanded of individuals, but only of the Government, and this was powerless to affect the price of it, because the demand was, in truth, simply a request to exchange one kind of money for another. If the demand had been made of individuals the consequence might have been very different, but so long as it can be obtained of Governments or from other sources simply by request in payment of the obligations they have issued, how can its value appreciate?

Looking at the subject from another side there is no appreciation of gold for the reason that the vacancy caused by the withdrawal of the gold for foreign export is soon filled by more Government notes. Furthermore, there is something of an increase of the National

bank note circulation. The National banks are multiplying, and the use of checks and bills of exchange is constantly increasing. Thus the instruments for making payment which are effective substitutes for gold are as great in volume as ever, and so long as this is the case, how can any one maintain that gold has appreciated in value?

Let us take the value of wheat for an illustration. Suppose this is worth only seventy cents a bushel instead of a dollar, is the decline of thirty cents a bushel a consequence of a smaller quantity of gold in our country than there was years ago? The farmer is desirous of selling his wheat, not necessarily for gold, but either for that metal, or its equivalent. The equivalent is just as useful to him; just as effective as gold, and he does not care a straw whether he receives payment in the metal or a representative. The quantity of the medium for paying for his wheat is just as great, indeed, greater than it was two years ago; how then can it be said that the price of wheat has been affected by the withdrawal of gold, or the greater demand for this metal? How can the activity of the demand for anything enhance its value if the supply is maintained? As was said last month, paper money, or all the substitutes for gold which are readily convertible into gold are a part of the general commercial fund for making payments, and for that purpose may be regarded as gold. So long, therefore, as this fund remains unimpaired or undiminished, is not this assumption of an appreciation without foundation?

It may be that the price of gold has been indirectly appreciated. For example, the Bank of England on many occasions has increased its rate of discount in order to increase its gold supply. The effect of these high rates may be to stimulate paying, and to do this merchants and others may be obliged to sell their goods at lower prices than they would if they were able to borrow freely. If this be the case, it may be said that the effort to obtain more gold has the effect of diminishing prices, or of enhancing the value of gold. Except when this has been the effect of raising the rates of discount, there is no evidence that gold has appreciated to any considerable degree.

It is true that the withdrawal of gold from this country is narrowing the basis of the gold standard of payments, and this is a serious matter. Perhaps so much gold may be taken that the Government will not be able to continue to redeem its obligations in the yellow metal. and when this occurs then there will be a depreciation in the value of the various kinds of paper money, or, in other language, gold will go to a premium. Even if this should be the case, it does not follow that prices measured by gold would be changed. Perhaps wheat, for example, would sell for the same gold price. If, however, it sold at a lower gold

price than before, and in consequence of the suspension of specie payments in gold, then the decline might be correctly ascribed to an appreciation in the value of gold. That time has not yet come, although there is danger of its approach, and this is one of the dangers overclouding all business. Probably the sooner the worst is known the better for all kinds of business. It would seem as though there ought to be an easier way of conquering the difficulty, but the last Congress was unwilling to face the question, and it is feared that the next Congress, for political reasons, will be no braver; in that event the situation must be met regardless of legislative action, although Congress might do much to avert or to lessen the disastrous consequences.

A Great Bank Failure.—One of the great banks of Great Britain, the English, Scottish and Australian Chartered Bank, which has been in existence for forty years, has failed, owing about forty millions. This was one of the principal banks transacting a colonial business. It appears that the banks engaged in this business make loans on real estate and on the products of the country, besides buying notes; and credits are often given in the form of overdrafts. All of the banks dealing with Australia have become weakened in consequence of the over-borrowing in that country. British capital has been lavishly spent on land and in buildings in Australia during the last fifteen years, and a shrinkage was inevitable. It is reported that the security on many loans which were made on a fifty per cent. margin has declined so greatly that the property is not worth now twenty per cent. of the amount of the loan. The colonies have borrowed enormous sums for railroads and other improvements, and have pushed them far beyond the requirements of population and business. The money for many of these enterprises has been drawn from the banks. Our National banking laws wisely prohibit banks from lending on real estate security, a prohibition which is the fruit of our banking experience. Undertakings of this character should always be with private capital. A bank has no right to invest its capital in such enterprises. It is intended for commercial use; in other words, it should be loaned to those who will speedily return it. Any one familiar with the course of Australian affairs; the enormous loans borrowed by the Government; the expansion in every direction, could not help seeing that a day of reckoning was not far off, in which values would enormously decline, bringing suffering to many. Several of the local banks have gone down, besides the London Chartered Bank, and probably other failures are likely to occur before the worst is over.

A REVIEW OF FINANCE AND BUSINESS.

A MONTH OF DOUBT, FEAR, AND SEMI-PANIC.

The condition of our National finances, in connection with renewed exports of gold and the return of money to a natural level, has been the all-controlling influence in both financial and commercial circles, during the month just ended, which has been one of doubt, fear, and semi-panic, in almost every department of business and speculation. No sooner did the high rates for money, that ruled, the greater part of March, disappear, than sterling exchange began to advance, on an increasing demand from both importers and foreign bankers, and did not stop going up until gold had been exported in such volume as to impair the \$100,000,000 reserve in the National Treasury, and to bring our currency complications to a crisis. This was hastened and rendered more acute, by the apparent indecision or vacillation of the Secretary of the Treasury, who allowed it to be believed that he would not trench upon this reserve, to redeem Treasury notes, issued in payment of silver, under the compulsory coinage law. The expectation, that gold would be refused by the Treasury, on the presentation of the silver notes, on which gold for export had hitherto been obtained, greatly intensified the situation by causing heavy withdrawals of gold, in anticipation of future shipments, through fear that it would soon be unobtainable, except on the presentation of gold certificates or greenbacks, which would speedily have caused the latter, as well as gold, to sell at a premium. The semi-panic caused by this action lasted several days, before the President felt compelled to deny that gold would be refused on Treasury, or silver notes, and to announce that the \$100,000,000 reserve would be paid out so long as it was needed, or until such time as its impairment should be sufficient to cause alarm, when the power to issue bonds would be used to meet the demand for gold. This immediately allayed the excitement, and the crisis was passed, for the time being, but not until failures had begun to be alarmingly frequent in many branches of business, and to threaten to become general, from inability not only to make new loans, but to renew old ones, as the banks had got frightened also, and were calling in loans, rather than making any more. Had this strain continued much longer, the result would have been a full-blown panic; as is evident when such great and solid concerns as the Pennsylvania and Maryland Steel Companies, whose credit has been considered of the best, were compelled to go into the hands of a receiver, as its president, Major Bent said, simply because the condition of the money market made it impossible to

borrow the large amounts necessary to carry on their extended improvements. When the financial crisis was so severe as to bring down great corporations like these, it is only a wonder that so few suspensions occurred.

THE CRISIS PASSED.

Everybody has therefore breathed easier since the President's announcement of the policy of his Administration, regarding this gold-silver complication, into which the Sherman law has brought the country. It may be that both the President and his Secretary of the Treasury were unable to reach a conclusion sooner; and that, like Lincoln, he waited in difficult circumstances, to learn the drift of public opinion. But certain it is, if he had made the announcement he finally was compelled to make, a week sooner, he might have averted much of the trouble that has come upon the business of the country, through vicious legislation, for which others were responsible; and, the belief is since gaining possession of the business community, that the crisis has definitely passed; that it is now only a question of time, when the legislation that brought these evil times upon the country will be repealed. Indeed, it is the fear that this would not be done, that the failure of the President to call an extra session of Congress, has been attributed; and, some of our best financial writers, among them the editor of the *Commercial Bulletin* of this city, predicted two months ago, that the quickest, if not the only way, to repeal this law, would be to precipitate a panic upon the country; as nothing short, would convince the silver men of their error, and arouse public opinion to a point that would compel the next Congress to repeal the Sherman law, whether it wanted to do so or not. That this point has now been gained, is believed in most well-informed circles; and hence their belief that the crisis has passed, even if it is not ended until early autumn, which is the time expected for the calling of an extra session, which will remove the causes of the present bad financial, commercial, and industrial condition of this country, by repealing the laws that produced it. Till then, the gold in the Treasury, the natural increase of exports and decrease of imports at this season of the year, together with the disposition and power, on the part of the Administration, to maintain the Government's credit and an equality of its different currencies, even by the issue of bonds, if necessary, are sufficient guarantees to the business interests of the country that the worst has already passed.

POSITION OF THE BANKS AND THEIR INTERESTS.

The sooner, therefore, the business community dismiss the late semi-panicky feeling, resume the ordinary course of affairs and strive to allay the public distrust, the better for all concerned. New

York banks and bankers have, no doubt, been unjustly accused in commercial circles of aggravating the difficulty, in order to drive a sharp bargain with the United States Treasury, or keep up the rates of money or both. But certain it is that they have not so far come to the relief of the Treasurer, as have banks of other and smaller cities in other sections of the country. That the Administration does not propose to surrender to Wall Street, however, is evident. Nothing could be more fatal to the prospects of repealing the Silver law, which was enacted more especially in the interest of the West and of the South, than for their representatives in Congress, to get an idea that the Administration and the Treasury are under the control of the gold or single standard interests of the East, and again raise the sectional issue that has been hitherto so disastrous to the settlement of broad National questions upon the only permanent and just basis of the general good. Obligation and interest alike, therefore, point in the same direction; and it is to be hoped and expected of our bank presidents, that they will rise above self-interest, to the plane of public spirit and patriotism, in this emergency, and assist the Government in its endeavors to overcome and reform our financial evils, as well as our business men, to endure them, until cured; thus placing both under obligations they will not fail to appreciate, nor to reciprocate in legislation that shall hereafter affect the banks directly.

THE MONEY AND STOCK MARKETS.

In such a state of uncertainty as has existed in the sterling exchange and gold market; and, in regard to the condition and policy of the Treasury, for a month past, there could be little else, in the money and stock markets, both of which were directly dependent upon those all-controlling influences for their movements. Rates for money, however, have not as a rule, advanced, though they have been temporarily bid up by the Bear cliques that have been raiding stocks, on the heavy exports of gold. Yet, while rates have not been high, money has not been easy, except on call and on collateral. Time money has actually been close, though in good enough supply. But banks have not been anxious to tie up their funds in time loans, except at a high rate with ample security, and, in many cases, on gold notes at that. The best borrowers have naturally objected to such terms, while the indifferent ones were unable to comply with them, and business has therefore been light and money hard to obtain, by the general business community. Trade has been largely curtailed thereby in all legitimate channels, while speculation, except for the Bear account, has been very slow, as well as collections. While our net gold exports since January 1st have been \$45,000,000, large amounts of foreign capital that had been loaned here have been withdrawn, since

this gold-silver scare reached its height, and ordinary credits have been greatly reduced by the banks to their customers, until a partial paralysis has crept over trade. This has been especially true throughout the West, of late. Under such conditions, Bulls have been few and far between, on anything; and those, have had a hard road to travel in the stock market, with the Bears on top of them, in addition to gold exports, discrimination against doubtful collateral and ability to borrow money only on call and on gilt-edged collaterals.

A Bear stock market and lower prices on all speculative stocks, except such as are also largely held for investment, has been the rule. It has been a bad month for pools in second rate securities, and more than one fortune has been wiped out, as was that of the vice-president of the Ann Arbor Road, which was simply more sensational than others and thus became public. But that many weak holders of inactive stocks have thus been caught and wiped out during the month, goes in Wall Street, without saying. Among these victims there have been fewer from industrial stocks, for the reason that they had been well shaken out of their holding during the last three or four months.

OUR EXPORT TRADE AND ITS PROSPECTS.

The produce markets have not escaped the general liquidation, though there have been some exceptions to the general rule, while reduced prices of produce and the higher rates of sterling exchange have tended to encourage exports, of the chief staples, although the general trade depression in Europe has held demand in check, as well as the financial losses in London, from the failure of a large number of the great Australian banks, with branches in that city, by reason of which a good deal of Australian produce, held by them, has been thrown on the markets at forced sale, to the exclusion of our own, with the result of unsettling of both foreign finances and markets, to our disadvantage. Yet the approaching opening of our inland navigation has brought more wheat and corn on to the market, for arrival in May, which has been bought quite freely for the Continent of Europe, in consequence of a cold, late, and dry spring in France, Germany and Russia, by which their food and feed crops have been endangered if not already damaged. But importers on the other side have not yet recovered from the terrible losses of two years ago; and are only able to supply near wants, without anticipating future ones, even where prices are low, for the banks will not help them. Indeed the English banks had advanced on American flour, consigned to dealers throughout England, by our Northwestern millers, until they refused early in the month to advance any more, not only, but required the consignees to sell

former consignments and repay their loans. These conditions account in part for our light exports hitherto, as Europe is compelled to buy from hand to mouth, more than she has ever done before. Yet next month, with canal arrivals of grain, there will be an increased export movement as usual at this season of the year.

OUTCOME OF THE CHICAGO CORNER IN WHEAT.

The May corner in wheat, at Chicago, noted in last month's review, has had a somewhat surprising career since then; in which the financial situation is believed to have played a part, although the clique, which then held the stock of contract wheat in that market, is supposed to own it still, and is said to have arranged with its bankers to carry it till July, at a 7 per cent. rate for the money required, while the corner or deal is said to have been turned over into July, of which the May clique has been a heavy buyer during the latter half of the month, on bad crop and weather reports from the winter and spring wheat States, as well as from the other side of the Atlantic. Early in April the price of May wheat was forced up suddenly to 90c. or about 14c. over the price of July in that market and even over May in New York. At this point and on the way up a large amount of short contracts were reported to have been privately settled, and that at 90c. most were forced to cover except Pardridge and Armour, the latter of whom was reported to have bought 5,000,000 bushels in the Northwest to bring to Chicago to deliver on his May contracts to the clique, while Pardridge waited until the price of May fell below that of July when he covered. The Minneapolis millers were reported to have been quite generally and badly caught short of May wheat, which they had sold against the large amounts of flour consigned, but unsold on the other side, and in stock, in this country. This was done as a "hedge" or to insure them against loss on flour, of which they were heavily long, as the demand had been light, for months, at home and abroad, while they had kept their mills running. But the hedge worked badly, flour going down and May wheat up, leaving them between the upper and the nether millstone, where the wheat clique were reported to have forced them to settle. Since then the price of May wheat has gone steadily down until the end of the month, when the deal is believed to be ended, so far as May is concerned, except that the clique is expected to have to take in Armour's wheat on the 1st of May, and pay for it, as well as that held in private elevators, the public stores being filled with clique wheat, which was expected to keep any more from coming into Chicago, until Armour built sheds for the purpose and got them declared good delivery. As to the result of the deal, or why it has not been carried through there are vari-

ous opinions, and one may be as good as another. There have been reports that the banks which backed the deal, demanded that Cudahy should close it out, when the financial situation looked so stormy; and, that he jumped the price up to 90c. and called margins heavily on the shorts and forced a settlement and thus avoided carrying the deal further, and also the necessity of taking all the contract wheat in the Northwest at a high price. How much was realized by the clique on these short settlements it is useless to guess. But no one believes that it was anywhere near enough to take the stock of over 12,000,000 of contract wheat in Chicago off their hands, or, what is the same thing, reduce its cost sufficiently to bring it to an export or New York basis, where it can be marketed. This immense stock is still in their hands, and there are only two months before another winter wheat crop is upon us, in which to do it; while there are 17,000,000 bushels more in Duluth held by banks here and West, which will move as soon as Lake Superior is free from ice. Damage to the new crop appears to be now the only thing that will make these immense stocks worth what they cost the clique and other owners. As a whole therefore, the deal in May wheat is considered but a partial success at best, if not rather a failure and source of loss to the clique, as the account now stands.

OTHER PRODUCE MARKETS

have, as a rule, been stagnant, though the resumption of operations in the English cotton industry has somewhat increased the demand for our cotton; yet the stocks of raw cotton on the other side were so much larger, after months of non-consumption, than expected, that the expected increase in demand from here has not been realized. At the same time, the prices of provisions have been let down enough to increase the export demand for them somewhat, during the month, although to nothing like the usual volume at this season; while the old Bull clique has taken hold of these markets again, at the close of the month, and put them up to a point that threatens to shut off the returning demand, if the Bull movement is carried further. Corn has contributed of late considerably to increase the volume of export business; but it is rather for May, than immediate shipment, while oats have been taken also for export, almost for the first time on this crop; but both corn and oats, as well as wheat, have been in better demand, only at almost the lowest prices of this crop year, notwithstanding the bad weather, late spring, and unfavorable outlook at home and abroad for the next crop, because present stocks of wheat are heavy, and tight money and uncertainty of the future of finance, causes a continued pressure by holders of spot stuff to

sell, while there is not enough speculation to anticipate the future, even if it offers a fair chance of profit. Flour, meanwhile, is selling at about the bottom prices of the crop, and very slowly at that. The coffee corner in Paris and New York, that has been maintained for months, has finally collapsed, together with the chief Bull house in Paris and its agent here, involving a pretty heavy loss, and unsettling the markets for that product here and abroad. The transportation interests, by land and sea, have been living in comparative peace with each other and the world, the past month, as the large amount of grain at Western points to come forward has given both our railways and inland marine more than usual to do on the opening of navigation, while the better export demand for grain, in consequence, has made a better demand for ocean freights, and late extreme low rates have given place to quite an advance.

H. A. PIERCE.

Decline in Gold Production.—A recent issue of the *Revue des deux Mondes* contains an article upon silver, by M. Cucheval-Clurigny, who disputes the assertion that the production of gold is decreasing. His conviction is that the value of silver will be gradually rehabilitated. He asks why do not the Americans withdraw 1,800 millions of paper money from circulation, and substitute silver for them? He anticipates that in India many hundreds of millions of silver currency will eventually replace the council bills now issued by the Government. He states that at present the mint at Calcutta annually issues from 200 to 300 millions of pieces of silver coin, and among high Indian officials the unanimous opinion prevails that the one desire of native princes is to accumulate immense reserves of silver in their coffers. China had, until quite recently, no silver coinage of her own; but a mint is in operation in Canton which turns out Imperial Chinese dollars. He further says "there are in the farther East 600 millions of men for whom the use of silver money will be the first step in civilization," while its introduction into the ports of Africa now being opened up by European traders will probably lead to an unlimited demand for it. M. Cucheval-Clurigny, while stating his belief that the overproduction of silver has had a depressing effect on the market value, anticipates that from increased demand, more particularly in Asia, a recovery will be brought about. In this surmise he is no doubt correct. The transgression of the laws of supply and demand by the late speculative legislation in America has done more to disturb the equilibrium of silver than anything else, and so long as the laws of supply and demand are allowed to take their natural course silver will maintain its character, like other commodities, with Asia as the chief outlet.

FINANCIAL FACTS AND OPINIONS.

The Hon. A. P. Hepburn, just resigned as Comptroller of the Currency, has been elected president of the Third National Bank of New York. Since the administration of the office by Mr. Knox, who resigned to become president of an important banking institution, all the subsequent Comptrollers have had a similar destiny. Mr. Cannon followed Mr. Knox to New York, and has been eminently successful as president of the Chase National Bank. Mr. Trenholm is at the head of an important surety company, and Mr. Lacey is president of the Bankers' National Bank of Chicago. As Superintendent of the Banks of New York, Mr. Hepburn displayed conspicuous ability, and he has performed the difficult duties of the Comptroller's office with discretion and success. The Third National Bank is to be congratulated on securing a person so well and favorably known in the banking world, and possessing such a large and valuable experience.

Silver Purchases.—The report of the Director of the Mint on the production of the precious metals for 1892, just issued, contains the history of silver purchases since the demonetizing of that metal. The total amount of silver purchased (delivered on purchases) during the last calendar year was 54,129,727.60 fine ounces, costing \$47,394,291.84, or an average of \$0.875 per ounce. The quantity and cost of the silver purchased (delivered on purchases) during the last calendar year at each of the coinage mints was as follows:

<i>Mints.</i>	<i>Fine Ounces.</i>	<i>Cost.</i>
Philadelphia	43,831,635 88	\$38,307,235 42
San Francisco	4,221,779 36	3,765,164 91
New Orleans	4,909,182 15	4,300,454 58
Carson	1,167,130 21	1,021,436 93
Total	54,129,727 60	\$47,394,291 84

The following table recapitulates the purchases and the mode of acquisition:

<i>Mode of Acquisition.</i>	<i>Fine Ounces.</i>	<i>Cost.</i>
Purchased by the Treasury Department (lots of over 10,000 ounces)	49,905,925 30	\$43,673,298 85
Purchased at mints (lots of less than 10,000 ounces)	4,031,185 27	3,545,061 75
Partings, bar charges, and fractions	192,617 03	175,931 24
Total	54,129,727 60	\$47,394,291 84

The history of the Sherman Silver law shows that the total amount purchased under the Act from August 13, 1890, to December 31, 1892, has aggregated 129,779,322 fine ounces, costing \$124,652,429, the average cost being \$0.96 per fine ounce. The number of silver dollars coined from bullion purchased under the Act of

July 14, 1890, from August 13, 1890, to December 31, 1892, has aggregated 34,631,720 pieces, containing 26,785,470.93 fine ounces of silver, costing \$28,105,381.85. During the same period, 46,786.58 fine ounces, costing \$47,055.62, were wasted and sold in sweeps, making the total consumption of silver purchased under the Act of 1890 to December 31, 1892, 26,832,257.51 fine ounces, costing \$28,152,439.47. The uncoined silver purchased under that Act and stored in bars at the coinage mints was, January 1, 1893, 102,947,064.80 fine ounces, costing \$96,499,989.70, distributed as follows:

	<i>Mints.</i>	<i>Fine Ounces.</i>	<i>Cost.</i>
Philadelphia		88,779,112 06	\$83,406,78 64
San Francisco.....		8,247,515 08	7,754,912 24
New Orleans.....		5,407,163 70	4,885,460 07
Carson.....		513,273 96	448,836 75
Total.....		102,947,064 80	\$96,499,989 70

The purchases of silver under different Acts of Congress are strikingly shown in the following table:

<i>Act Authorizing.</i>	<i>Fine Ounces.</i>	<i>Cost.</i>	<i>Average Price.</i>
February 12, 1873.....	5,434,282	\$7,152,564	\$1.314
January 14, 1875.....	31,603,906	37,571,148	1.189
February 28, 1878.....	291,292,019	308,199,262	1.058
July 14, 1890.....	129,779,322	124,652,429	0.96
Total.....	458,109,529	\$477,575,403	\$1.0425

The following table exhibits the number of fine ounces purchased, the cost of the same, and the average price paid each calendar year from April 1, 1873, to January 1, 1893:

<i>Year.</i>	<i>Fine Ounces.</i>	<i>Cost.</i>	<i>Annual Ave. Cost Per Fine Ounce.</i>
1873.....	3,727,111	\$4,003,503	\$1.3225
1874.....	2,407,171	3,149,061	1.3082
1875.....	6,453,262	7,989,174	1.2380
1876.....	14,059,420	16,462,231	1.1709
1877.....	11,091,224	13,119,744	1.1826
1878.....	24,358,025	28,298,061	1.1617
1879.....	16,594,639	18,660,088	1.1244
1880.....	22,742,634	25,718,215	1.1396
1881.....	19,612,742	22,095,571	1.1265
1882.....	21,878,489	24,877,254	1.1370
1883.....	23,169,950	25,468,677	1.1012
1884.....	21,683,798	24,020,064	1.1077
1885.....	22,147,366	23,522,646	1.0620
1886.....	25,699,898	25,504,467	.9923
1887.....	24,611,243	24,020,566	.9760
1888.....	25,028,358	24,491,341	.9785
1889.....	27,125,358	25,379,511	.9356
1890.....	37,895,200	40,269,608	1.0626
1891.....	54,393,913	53,796,863	.9890
1892.....	54,129,728	47,394,292	.8755
Total.....	458,109,529	\$477,575,403	\$1.0425

Profit on National Bank Circulation.—The late Comptroller of the Currency, Mr. A. P. Hepburn, issued the following circular, showing the profit on National bank circulation, with each of the dif-

ferent classes of United States bonds as security. It will be observed that the calculations are all based on money at 6 per cent. interest.

JANUARY 1, 1893—2 PER CENTS.		
\$100,000 two's at par interest.....		\$2,000 00
Circulation, 90 per cent. on par value.....	\$90,000 00	
Which loaned at 6 per cent. will produce.....		5,400 00
Gross receipts.....		\$7,400 00
<i>Deduct—</i>		
1 per cent. tax on circulation.....	\$900 00	
Annual cost of redemption.....	137 48	
Express charges.....	3 00	
Cost of plates for circulation.....	7 50	
Agent's fees.....	7 50	1,055 48
Net receipts.....		\$6,344 52
\$100,000 loaned at 6 per cent.....		6,000 00
Profit on circulation.....		\$344 52
Percentage on maximum circulation obtainable, 0.344 per cent.		

JANUARY 1, 1893—4 PER CENTS.		
\$100,000 four's at 113.5 premium, interest.....		\$4,000 00
Circulation, 90 per cent. on par value.....	\$90,000 00	
Which loaned at 6 per cent. will produce..		5,400 00
Gross receipts.....		\$9,400 00
<i>Deduct—</i>		
1 per cent. tax on circulation.....	\$900 00	
Annual cost of redemption.....	137 48	
Express charges.....	3 00	
Cost of plates for circulation.....	7 50	
Agent's fees.....	7 50	
Sinking fund invested quarterly to liquidate premium.....	590 58	1,646 06
Net receipts...		\$7,753 94
\$113,500 loaned at 6 per cent.....		6,810 00
Profit on circulation.....		\$943 94
Percentage on maximum circulation obtainable, 0.944 per cent.		

JANUARY 1, 1893—6 PER CENTS.		
\$100,000 sixes, series 1898, at 112½ premium, interest.....		\$6,000 00
Circulation, 90 per cent. on par value.....	\$90,000 00	
Which loaned at 6 per cent. will produce		5,400 00
Gross receipts.....		\$11,400 00
<i>Deduct—</i>		
1 per cent. tax on circulation.....	\$900 00	
Annual cost of redemption.....	137 48	
Express charges.....	3 00	
Cost of plates for circulation.....	7 50	
Agent's fees.....	7 50	
Sinking fund re-invested semi-annually to liquidate prem..	1,951 95	3,007 43
Net receipts.....		\$8,392 57
\$112,500 loaned at 6 per cent.....		6,750 00
Profit on circulation.....		\$1,642 57
Percentage on maximum circulation obtainable, 1.643 per cent.		

Railway Income for 1892.—In a preliminary report by the Interstate Commerce Commission of expenditures of railways in the United States for the year ending June 30, 1892, the income account of 462 roads is given, covering 138,549 operated miles.

The gross earnings amount to over nine hundred and fifty millions, and the increase per mile of operated road amounts to \$608. The increase is generally attributed to the fact that during the fiscal year of 1891 the railways were moving the abundant crop of 1891, which was much larger than that of the previous year. The following table gives a summary of the earnings of 1892, covering 138,349.99 miles of line, with comparisons of those tabled during the previous year:

<i>Item.</i>	<i>Earnings 1892.</i>	<i>Estimated Increase.</i>	<i>Inc. per Mile.</i>
Passenger service.....	\$283,528,308	\$31,500,038	\$247
Freight service.....	646,633,345	91,506,671	349
Other earnings from operation.....	20,716,635	2,817,215	11
Unclassified.....	146,974	126,379	1
Total gross earnings.....	\$951,025,159	\$125,950,303	\$608
Less operating expenses.....	633,690,833	82,834,189	399
Income from operation.....	\$317,334,323	\$44,116,114	\$209

The increase of earnings from freight service as compared with those of passenger service is suggestive. The receipts from freight service for the roads quoted figure at \$646,633,345, and those from passenger service to \$283,528,305. The increase under the head of passenger service, as compared with 1891, was \$31,500,038, or \$247 per mile of line, while that from freight service amounted to \$91,506,671, or \$349 per mile of line. The amount of gross income for ten railways in the United States, having an annual total in excess of \$20,000,000, are placed as follows:

Pennsylvania Railroad.....	\$68,260,901
Southern Pacific Company.....	47,480,962
New York Central & Hudson River Railroad.....	44,841,788
Chicago, Milwaukee & St. Paul Railway.....	32,419,306
Chicago & Northwestern Railway.....	32,064,757
New York, Lake Erie & Western Railroad.....	31,692,912
Chicago, Burlington & Quincy Railroad.....	31,233,850
Northern Pacific Railroad.....	24,911,636
Lake Shore & Michigan Southern Railway.....	22,559,995
Delaware, Lackawanna & Western Railroad.....	21,761,986

There are eight roads with a gross revenue per mile of line amounting to over \$20,000. These are thus tabled:

Delaware, Lackawanna & Western Railroad.....	\$27,607
Pittsburgh & Lake Erie Railroad.....	26,379
Pennsylvania Railroad.....	25,866
Boston & Albany Railroad.....	25,376
New York, Providence & Boston Railroad.....	23,159
New York, New Haven & Hartford Railroad.....	22,654
Central Railroad of New Jersey.....	21,669
New York Central & Hudson River Railroad.....	21,266

In computations made by the statistician of the Commission, the ratio of operating expenses to income was less in 1892 than in 1891. He says:

The interesting question to the investor pertains, of course, to the ability of railways to make payments on capital invested, and, as operating expenses are the first lien on gross revenue, any change in the ratio of operating expenses and operating income is most significant. This

percentage is commonly termed the coefficient of expenses. . . . It appears that this coefficient is 66.63 per cent. for the year 1892, and 66.73 per cent. for the year 1891, which indicates that the increase in operating expenses did not quite equal the increase in gross earnings, or, putting the matter more directly, the increase in gross earnings for the year 1892 is 11.48 per cent., and the increase in operating expenses is 11.31 per cent. This is, indeed, a slight margin on which to figure out an increase in net earnings, but so slight is the basis of railway operations, that it results in an increase of \$43,116,114 in net earnings from operation for the year 1892 over that of the year 1891.

Interest on Deposits.—The subject of getting interest on city deposits is becoming very general. Only a few years ago many of them derived no income from this source, although the deposits were among the most valuable held by banking institutions. Of course, banks are not desirous of paying interest when they can get deposits for nothing, but the current of the times has set in this direction. The trust companies have taken the lead and the banks must follow, or else a valuable portion of their deposits may be drawn away. The cities now are awakening to the desire of getting interest on their deposits, and are discussing the best methods of exacting them. One method is the asking for bids of rates, and this seems to be the growing practice. We are led to make these remarks by the effort of a Rhode Island city to obtain interest on its deposits. There is a rivalry among the banking institutions for them, and the city is desirous of obtaining all it can while treating the banks fairly. The question is likely to be settled by asking for bids in the manner above suggested.

Western Mortgages.—The Lombard Investment Company, one of the best known of its kind, has been expelled from doing business in Massachusetts by Mr. Reed, the farm mortgage commissioner. This action was based on a thorough examination of the books of the company, as well as an examination of the character of the securities taken in Kansas, and the other Western States. His investigations convinced him that the company was not well managed, and that its greatest offense was an over-valuation of farm or other property. The company loaned, for instance, in 1887, \$3,000, on a certain piece of property, but default came and the mortgage was foreclosed. The property was then turned over to one of the Lombard's sub-companies, and was made to appear as though cleaned off of the books of the Lombard Company. This sub-company transferred property to another sub-company, which placed a mortgage thereon for \$4,000, which mortgage was perhaps sold to some Eastern investor. The cash valuation of this property is now about \$1,500. It will be seen that this transaction was anything but conservative. No fault could be found, for instance, if the company had shouldered its first loss, if there were any.

but when through a circuitous process it permits an investor to pay \$4,000 for a mortgage to its sub-company on a piece of property which could be bought for cash for \$1,500, it is a hazard which ought to shake the confidence of investors. Commissioner Reed says that over 60 per cent. of the cases he investigated were very similar to the above. Kansas is, perhaps, the most unsafe State in the West at the present time for lending money on mortgage securities, because the legislators who are opposed to capital are in control. One of these laws permits the owner to reside on his property eighteen months after a mortgage has been foreclosed, while the privilege of redemption runs for that time. One of the consequences of this law is that the companies must lend smaller sums than they did formerly. The more conservative companies are practicing the wisdom learned by rather trying experiences, and are loaning only \$300 on land on which five years ago they loaned \$500. Commissioner Reed takes a very hopeful view of the farm mortgage situation, and believes that in the main these securities are good investments. The Western population is much better off now than two years ago; they have had two years of good crops, for which fair prices were obtained, and have cancelled much mortgage indebtedness. The Western people are honest in the main. A few miserable demagogues have almost brought the whole country into disrepute, but the people are growing wiser and learning the true character of many of their leaders.

Western Monetary Legislation.—Two years ago the Kansas Legislature denounced the lenders of money for trying to collect their debts and vaguely threatened to stop proceedings. The Legislature declared that the debtor class was strictly honest, at the same time was opposed to the collection of the debts the people owed. One of the forms of this opposition is in prohibiting contracts payable in gold. In Kansas the House has passed a bill of this character, forgetful of the injury done to the State by similar legislation a few years ago. If the charge made for the use of money was divided into two portions, the interest charge and the insurance charge, to cover the risk of loss, persons like those in the Kansas Legislature would perceive more clearly, perhaps, why the charge for a loan is higher in their State than it is in some others. Legislative efforts to regulate the prices of commodities have always been followed by a withdrawal of the commodities from the market. If, for example, the price of wheat was fixed at fifty cents a bushel, and corn at twenty cents, the members of the Kansas Legislature would at once perceive the injustice of such a regulation; but the Populist leaders, unable to see any analogy between money and merchandise, are constantly enacting laws against the use of money, regulating the interest,

prohibiting the making of gold contracts and the like, when they believe in the exercise of the utmost freedom in the disposal of every known product. On this subject the New York *Commercial Bulletin* has some interesting remarks:

Until some means can be devised for compelling men who have money to lend it, the man who borrows will have to meet the views of the man who lends before he can get the money he wants. This is not clear to the minds of some of the Kansas reformers, but it may work its way into their heads if they continue their present course of experimentation. The fact that in the case of some loans made recently in or near Kansas it has been stipulated that the payment is to be made by the delivery, not of so many dollars, but of so many ounces of standard gold, shows the effect of talking too freely about making the dollar less valuable. The more the Legislatures of Kansas and Minnesota do to increase the lender's risk of getting back less than he advances, or of getting less than the market rental for the use of his money, the more the farmers of those States will pay for their loans, or else the more difficult they will find it to get loans at all. The theory that interest ought not to be collected for the use of money, and that the collection of debts is gross outrage, is much older than any citizen of Kansas. The difficulty about applying the theory has always been the refusal of the possessor to part with his property except on terms which satisfied him. If the Kansas thinkers can devise some way of compelling men to lend on terms they deem insufficient, and on security that they do not trust, they will accomplish the thing they are aiming at; but, failing in that, they will soon find the debtors of their own State imploring them to leave them alone to make the best terms they can with the men who have what they want to use.

National Resources and National Credit.—Notwithstanding our large exports, gold is constantly going abroad and business generally is becoming worse. In eight months more wheat has been exported than ever went abroad in any year with three exceptions, and if the outward movement continues at its present rate the exports during the crop year will be the largest ever known excepting last year. More petroleum has been exported than ever before during a single year. The exports of provisions and of cattle for the last nine months have exceeded in value the record of any similar period. The exports of cotton, though, have not been much reduced. It is evident, therefore, that foreign countries are, on the whole, taking from the United States as freely of its products as they have ever done, but at a lower valuation, because their production has been greatly in excess of the world's requirements. If these facts are true, why do not foreigners invest as much here as they have previously done? It has been shown on more than one occasion that foreign investments in this country have exceeded \$150,000,000 in a single year, but of late foreigners have not been inclined to invest much, and the chief cause is the fear of receiving payment in cheaper money. In other words, they fear that in consequence of the continuance of the present silver policy the currency will be degraded in quality.

ON SOME RECENT ASPECTS OF COMPETITION.

[CONTINUED.]

Another consequence of the small margin of profits is that the producer, desirous of acquiring the largest possible gain, seeks to make up the diminished profit by producing an enormous quantity. This is the genesis of the great factories that are now in operation in every part of our country. Profits on railroad rails not many years ago were thirty or forty dollars a ton, and have diminished perhaps to two or three dollars a ton, and in some cases even are produced at a loss. A plant, therefore, having four or five millions invested in the manufacture of rails, which is desirous of maintaining its old rate of dividends must enormously increase its product to receive as much aggregate profit as it did before on a smaller product. One of the most striking illustrations of this nature was furnished by the Armour Packing Company of Chicago to an investigating committee of Congress a few years ago. Complaints were made of the high price of beef, mutton and pork sold by the company and of the enormous profits which were made. It was clearly proved that, in truth, the profits on each head of beef slaughtered did not exceed \$1.62 while a few years before the amount was something like eleven or twelve dollars. Nevertheless, the aggregate profits were large because an enormous quantity was slaughtered and sent to all the markets of the world. Furthermore, the very interesting fact was shown that this small margin of profit on each head was on things which, a few years ago, were thrown away. In other words, the profits on that portion of the business consist of things which were formerly regarded simply as waste products. These illustrations suffice to show from what source the profits are derived in that business, and the same story might be told of many others.

Another consequence that may be mentioned is that only the concerns possessing the highest skill and largest experience have a successful history. This is one of the most impressive lessons taught us by diminished profits in production. They have run down so low that any concern which to-day ventures on the uncertain way of production is quite sure to fail, unless possessing abundant capital, ample credit, and, more than all, great skill and experience. An illustration or two may be given. A large quantity of pig iron is now made in the South. A portion is made by Northern manufacturers who had been engaged in the business many years before and who ventured into this new region. They located their plants wisely; built them in the best

manner, and have conducted them with success. Other concerns, possessing less experience and less knowledge of the business, either have failed or are having an unsatisfactory existence. Skill and experience in business never counted for so much as it counts at the present time. Formerly, however, when profits were large much might be lost from inexperience and dear capital or credit, and yet an ample margin of profit be left to the producer, but these days are passed never to return. Skill and experience now count for everything, and the men of this and succeeding generations must have a training which they never had before in order to succeed.

Another consequence of the low margin of profits is that producers are constantly studying how to increase the margin of profit. The small returns operate as a wonderful stimulant. One of the consequences is the invention of new devices for saving labor. Every great plant to-day is ceaselessly at work finding ways of displacing men by using machinery and thus lessening the cost of production. Thus the profits in rail-making were reduced to such a point a few years ago that the rail-makers began to study into methods of reducing the cost of production. From this effort came forth a new kind of mill in which iron ore is put into a furnace and the iron extract is kept in a molten or heated state until it is cooled as a completed rail. The saving thus effected may be easily understood by explaining that under the old process the ore was first reduced to pig iron and then cooled; afterwards it was re-melted and made into the form of billets, which were cooled, and these in turn were reheated and rolled into rails. All of these processes are eliminated by the new process of rail-making. Furthermore, instead of the large number of men formerly employed in making rails a few suffice to manage the machinery for converting the iron ore into rails. In other words, the process is essentially automatic. One may visit a plant of this description and see a huge blast furnace devouring iron ore in great quantities, and presently is seen the molten iron running like water into a converter which in ten minutes converts the iron into steel which is then poured out into a mold, and when sufficiently cooled is taken out and rolled until reduced to rails. As soon as this process was perfected it was needful for every other mill to rebuild and introduce a similar process or abandon the business. There was no escape. In other kinds of business changes are always in progress. The thinker is always at work trying to devise some labor-saving machine, which as soon as put in operation has the effect of lessening the cost of production. Suppose the competitor does not do this, what then? Simply this, the cost of production is greater than that of his competitor. He cannot sell as cheaply

and therefore is left out of the race. The contest is ever waxing warmer and warmer among competitors and is endless. Each is trying to gain some advantage by the exercise of greater skill or the introduction of new economies. As soon as these are found then the discoverer rejoices and has a distinct advantage over all others until they follow in the same path or perhaps surpass him. Such is the nature of modern competition among producers.

Another consequence is that the margin of profit is so low that a small gain or advantage of one competitor over another in the way of transportation enables him to undersell his rival and thus gain control of the market. Perhaps the leading problem among producers to-day of all heavy commodities is how to lessen the cost of transportation. This is regarded as the chief source for effecting a considerable saving in the future. Every great producer is studying this question with renewed interest, and what is the consequence? One is that producers learning that water transportation, eliminating the question of time, is more favorable than transportation on land, are locating their works at places on the rivers, lakes and oceans. They see clearly enough that by changing their location they will have an advantage over competitors who remain inland and who cannot obtain as low rates for transporting their raw materials and finished products. There have been marked changes of this character within a few years. This has given rise to new schemes for deepening rivers, for building canals, not only in our country but also in others. Twenty-five millions have been spent in building a canal from Liverpool to Manchester, simply for the purpose of getting water transportation to that great hive of industry. Several railroads extend to Manchester; notwithstanding the competition which these afford, the manufacturers were not satisfied and demanded cheaper rates, and so the canal has been built. Other canals are projected in Great Britain and on the continent. One of the most noteworthy of these is to unite the Elbe with the Danube. Whenever it is not practicable for manufacturers to obtain water transportation they are erecting their works at railway centers in order to have the benefit of railway competition. Many of the old works are moving to such centers; while with new ones this is always one of the most prominent reasons in selecting a location. The advantages derived from railway competition are clearly understood, and it is quite correct to say that no large plant to-day is likely to be erected at a point where such competition does not exist, or is not likely to exist within a reasonable period.

But this location of our large industries and plants has another important consequence in changing the centers of population. Many a village which has flourished in the past will be deserted, and new ones will arise. Many changes of this nature and spring-

ing from this cause will be seen during the coming years. Population will swing to and fro like the tides of the sea, governed and controlled entirely by these considerations.

[TO BE CONTINUED.]

STATE BANK SYSTEMS.

[CONTINUED.]

While the bank existed, the funds of the Government were deposited with it to the credit of the United States Treasurer. They were considered in the Treasury from the time of depositing them, and were subject to the Treasurer's control. In 1802 the balance of bank stock owned by the Government was sold at 45 per cent. advance. The Government then ceased to be a stockholder. During Gallatin's administration of the finances only once did he apply for a loan. The revenues of the Government had grown more ample, its wants were not so pressing, and loans were unnecessary. But the advantages derived by the Government from the bank were neither few nor unimportant. These were well stated by Gallatin himself in a communication touching the renewal of the charter. The first advantage was with respect to keeping the public money; another concerned its transmission; a third related to the collection of the revenue. The punctuality of payments introduced by the banking system, and the facilities which it afforded importers indebted for revenue bonds, had enabled the Government to collect with greater facility and fewer losses the revenues derived from imports than it would have done had no such bank existed. Lastly, valuable aid was furnished in the way of loans. From the beginning a disposition to render such aid had been manifested whenever it was desired. It was complained that the branch in New York was more inclined to grant loans to the members of one political party than to the other; whether this charge contained any truth or not, no complaint was heard after the creation of the Manhattan Company in 1799.

In 1808 the bank petitioned for a renewal of its charter, which would expire three years later. War loomed up in the distance, and Gallatin strongly favored its renewal. But it was well known that strong opposition would be made. The matter floated on the tide of uncertainty until 1810, when a decision could no longer be delayed. The necessity of the bank was more clearly seen than ever. The debate in both branches of Congress was long, able and bitter. The old question of its constitutionality was discussed

at great length, and its opponents denied that the institution was at all necessary to aid the Government in discharging its functions, insisting that there was a redundancy of capital, which was evident from the rapid multiplying of State banks. In reply to the assertion that the quantity of specie would be reduced by the exportation of the large amount of its capital belonging to foreigners, it was declared that "nothing could be more absurd." The bill for renewal was defeated by one majority in the House; in the Senate the vote was 17 to 17, and the Vice-President, George Clinton, voted against renewal; so the bank was doomed to expire within the time limited in its charter. In a short time all the evils predicted by those who contended for keeping the institution alive were experienced. Specie in great quantities left the country. Adams, the biographer of Gallatin, says that "even the most prejudiced and meanest intelligence could now understand why the destruction of the United States Bank threatened to decide the fate of the war and of the Union itself." Gallatin himself believed that if it had been suffered to live the suspension of specie payments would have been prevented, and that the terrible disorganization of the whole system of exchanges, which nearly brought the Government to a dead stop, would not have happened.

State Banks until 1816.—At the time of establishing the first United States Bank three State banks existed: the Massachusetts Bank, which was founded in 1784; the Bank of New York, created the same year; and the Bank of North America. Gold and silver constituted the standard of value, and the bills issued were redeemable in specie. "The original plan [of the Massachusetts Bank] allowed \$3 of currency for \$1 of metallic deposit." The bank restrictions in those early days did not permit the lending of more than "\$3,000 to any individual at one time, and but \$5,000 in the aggregate to any one borrower"; and the loan was only granted for sixty days upon merchandise, bullion, or other securities as collateral, and for thirty days only on personal obligations with two securities, "without the privilege of renewal on any terms." The merchants having gradually adopted the practice of selling their goods on credit, and requiring Spanish milled dollars for shipment to India and China, or doubloons for the purchase of the produce of Cuba for Europe, had thus become dependent on the banks for facilities, and so these institutions multiplied as trade expanded.

The banks obtained specie from various sources, but while war existed between Spain and Great Britain the citizens of our country were the carriers and commercial agents of Spain, and as nearly all the metallic treasures of Mexico passed through this channel, the banks of this country received a very substantial ben-

efit. From the Peace of Amiens in 1801 the influx of silver abated, yet remained considerable. It was received by us in payment for European goods, and was transmitted to the sellers of such commodities, yet the specie was temporarily deposited with the banks. Says Gouge, "The specie constantly *in transitu* from South America through the United States to other parts of the world was so great in amount that a retention of the quarterly or semi-quarterly supply for only a month or two was sufficient to relieve the banks from the difficulties into which they were occasionally brought by extending their operations too far."

Banking was, on the whole, a very profitable business in those days. From 1792 to 1808 the Bank of Pennsylvania never divided less than 8 per cent., and sometimes 2 per cent. more. In 1792 the Bank of North America divided 15 per cent., the next year 13½, and for the five succeeding years 12 per cent. annually. Banking was then essentially a monopoly, and as our commerce was exposed to frequent interruptions by belligerents, the necessity for borrowing was sometimes very great, and money was not infrequently lent by banks for 2 or 3 per cent. a month. The periodical demand for the China and East India trade always caused a pressure in the money market. The business of banking was then more closely veiled than now, and the true condition of banks from time to time was known only to those engaged in their management.

It was a long time before the people generally became accustomed to these institutions and acknowledged their utility. Except a branch of the United States Bank which was set up in Norfolk in 1799, no bank existed in Virginia until 1804. Yet a subsequent writer in the *Richmond Enquirer* declares that until this branch appeared there no people enjoyed more happiness. "The desk of every agriculturist in Virginia had some gold or silver to spare if he was a prudent, industrious man, or, if he had something like money to spare, in the hands of his merchant, who in the days of which I am speaking, acted as a banker to his prospering customers. Nor was any interest paid upon such moneys as might be deposited in the hands of the merchant, because both planter and merchant considered themselves accommodated by the arrangement—the planter in having his money safely kept for him until he wanted to use it, and the merchant in having the use of the money until it was called for." As for the need of banks in order to transmit funds from one place to another, he adds, "Nor was there the least inconvenience in transmitting money from one point to another through the merchants, whose credit then was as good as the credit of the banks now, if not better. Banks," he continues, "have destroyed the credit and confidence which men had in one another."

The banks in the larger cities, having comparatively large capitals, were conducted on principles which afforded greater safety to the public than the smaller institutions situated elsewhere, whose capital often to a considerable extent was fictitious, consisting partly in notes secured by stock, and managed by persons "with whose skill, caution, or integrity the public were very little acquainted." Yet these latter were the banks which had the most extensive circulation. In 1809 the three banks in Boston made the following return :

	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
Massachusetts.....	\$ 800,000	\$139,850	\$105,670
Union.....	1,200,000	279,431	132,242
Boston.....	1,800,000	226,940	161,270
	<u>\$3,800,000</u>	<u>\$646,221</u>	<u>\$399,182</u>

At the same time, five other banks in the State of Massachusetts made the following return :

	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
Lincoln and Kennebec.....	\$200,000	\$242,847	\$20,920
Northampton.....	75,000	122,363	19,377
Hallowell and Augusta.....	200,000	166,123	23,664
Penobscot.....	150,000	183,470	19,586
Berkshire.....	75,000	83,060	7,682
	<u>\$700,000</u>	<u>\$797,863</u>	<u>\$91,229</u>

These figures illustrate in the most forcible manner the difference between the cautious and safe mode of conducting the banking business in the cities, and the wild and irresponsible mode of operation outside them. The consequence was that, among these country banks, failures happened not infrequently of a very disastrous character.

The first heavy bank explosion after the adoption of the Federal Constitution occurred in 1809. The notes of many banks outside Boston were at a varying discount, running as high as 5 per cent., and the merchants and other dealers in that city, on whom the burden of depreciation fell, concluded that they must do something. They raised a fund for the purpose of sending home the outside bills received in business and procuring their redemption, and of bringing suits against banks which should refuse payment. This step caused a crisis. First, the Farmers' Exchange Bank—which was a large institution, and whose operations are among the most notable in the banking history of the country—suddenly failed, and "the shock upon the public was tremendous." The Berkshire Bank followed next. The discovery that banks could fail affected the credit of all, and in 1809 most of the country banks in Massachusetts, Maine, and New Hampshire, having many bills in circulation, stopped payment. In most cases they never recovered. "It would probably be a moderate estimate to put the losses by the bank failures of that period at \$1,000,000."

When the charter of the first United States Bank expired, its notes were withdrawn, and the notes of State banks were put into the chasm. During 1811 and the two succeeding years 120 banks went into operation. Gov. Snyder of Pennsylvania had the courage to veto a bill authorizing a wholesale creation of banks in that State. They were scattered everywhere, and added nearly \$30,000,000 of banking capital to the amount previously existing. Yet there was no addition of real capital. This will be seen when we describe their mode of raising capital. The first installment was paid, and then the banks were organized and discounted stock notes to meet the subsequent payments. The practice being soon discovered, the entire body of circulating medium except the issues of the New England banks began to depreciate. So far below par did their value fall that confidence was unsettled in their future convertibility. This increase of bank circulation occurred on the eve of war, during the earlier period of which exports were almost annihilated, as well as the foreign and coasting trade. As only a small portion of this manufactured capital could be lent to mercantile enterprises, considerable sums were invested in Government loans. Finding a good demand in this quarter, bank notes rapidly multiplied. The Eastern banks, however, did not subscribe so freely, because the war in that section was unpopular. The indiscretion of the banks, chiefly in Baltimore, Philadelphia and New York, in thus expanding their issues was inexcusable. They knew that their specie was leaving them and going to Great Britain. The New England banks were liable to a penalty of 24 per cent. annually for the non-payment of their notes. This regulation produced a good effect, for their full value was maintained even when the notes of other sections were depreciated.

The banks in the Southern and Middle States having been emptied of their specie, the capture of the city of Washington, in August, 1814, caused them to fail. Those at the capital fell into the hands of the enemy, but there was very little for the enemy to get. Those at Baltimore soon gave way. The six at Philadelphia fell next, whereupon their several presidents advertised with secret gladness that coin could be no longer paid. The following day the New York banks suspended, but those in New England withstood the pressure. One of them, which had speculated too largely in the paper of the Government, it was feared would succumb, but, relieved by others, its credit was saved. The Bank of Nashville maintained its ground until August, 1815, "the sturdy honesty of whose directors, amid such general knavery, is not less praiseworthy than it is remarkable." The broken banks, though refusing to redeem their notes, professed their desire and ability to do so at an early day. At first, the commercial world was not seriously shaken, for the legal money, gold and silver, remained

the standard of value. That standard the banks could not change. Bills of doubtful credit were compared with it, and their value was ascertained. They became a merchantable commodity, and were often purchased with legal coin; they were daily sold at a discount which was regularly announced in the newspapers; they were even sold at public auction, the purchasers paying in legal money.

The people and the Government suffered considerably from the employment of this depreciated paper, but so long as the true standard was preserved, creditors received their dues, and business calculations and plans could be made with safety. But, unfortunately, after a time the Secretary of the Treasury believed that depreciated bills should be received without discount, not in payment of loans only, but also in payment of duties and other taxes. In Ingersoll's vigorous rhetoric, the Government hoisted the sign on its custom-houses and in the office of its tax-gatherers, "Bills of broken banks received here." Is it singular that bank notes then multiplied? The crier was sent into the cities to shout at the corners of the streets and in the ears of the money-changers, "depreciated money borrowed by the Government at par value." Thenceforth a premium was set on depreciation, and cities seeking their interest vied with each other in debasing their local currency. The Government was staggering along with great difficulty, but after the adoption of this policy its difficulties were vastly increased. These will be more properly described under another topic.

When A. J. Dallas was placed at the head of the Treasury Department in 1814, to get the nation out of its sad plight he recommended the establishment of another United States Bank. The State banks, as might be imagined, were opposed to its creation. He also proposed that steps should be taken for their resuming specie payments. They were willing to do this, only they did not wish to move in that direction very soon. The fact was, after the suspension of specie payments, while they were in a bankrupt condition, the banks made larger dividends than ever, as all responsibility for their issues had ceased. No wonder that they preferred to remain in a bankrupt state.

[TO BE CONTINUED.]

NATIONAL BANKS—NEGOTIABLE INSTRUMENTS—
BONA FIDE HOLDERS.

SUPREME COURT OF ALABAMA.

First National Bank of Decatur v. Johnston.

Notes given in renewal of other notes held by a National bank, the original notes not being returned to the maker, are not "evidences of debt," or "assets," within Rev. St. U. S. § 5,242, declaring void all transfers of "evidences of debt" owing to any National bank made after insolvency or in contemplation thereof, to prevent the application of the assets to the bank, as required by law, or with a view to prefer creditors.

Where negotiable paper is transferred to secure a pre-existing debt, in consideration of an extension of the time of payment of the debt, the transferee is a *bona fide* holder for value, and is not subject to equities between prior parties, of which he had no notice.

In such a case, notes afterwards substituted by mutual agreement of the parties, without any new consideration, to take the place of the collateral originally taken, will be held in the same condition as the collateral whose place it took.

It is no defense to an action on a note that the name of the payee was left blank, since, between the maker and innocent third parties, the person to whom it was intrusted must be deemed the agent of the maker, with full authority to fill out such blank.

THORINGTON, J.—Appellee, being indebted to the First National Bank of Sheffield, on the 15th day of November, 1889, sent to said bank his two promissory notes of that date, for \$1,500 each, payable at 90 days, one of said notes being payable to appellee's own order, and indorsed by him, and the other having the name of the payee in blank, but was indorsed by appellee. The two papers were given in renewal and extension of other paper of appellee held by the bank, and which appellee expected to be surrendered in consideration of the two notes above described. The Sheffield Bank, however, prior to receiving these two renewal notes, had traded appellee's original notes to the Merchants' National Bank of New York. At the time appellee delivered the two new notes to the Sheffield Bank, the latter was indebted to appellant, the First National Bank of Decatur, in the sum of \$6,200 for collections which the Sheffield Bank had made for and on account of the Decatur bank. For the payment of this indebtedness the Sheffield bank sent appellant its check for that amount on its New York correspondent, payment of which was refused, and the check protested. On being advised of that fact, the cashier of the Decatur bank went to Sheffield, and in an interview with the cashier of the Sheffield bank, in answer to an inquiry as to the condition of the latter bank, was informed by its cashier that "he thought it was all right," and that the president and another party were then in New York, and had informed him that all the arrangements necessary would be made to secure all needed funds. The cashier of the Decatur bank then stated to the cashier of the Sheffield bank that, if sufficient collateral should be deposited with the former bank, the money would be permitted to remain with the Sheffield bank for a week or ten days. This was agreed to, and the collaterals were forwarded the next day by the Sheffield bank to appellant. Among the securities so furnished was the note of one Boykin for \$2,000, which was indorsed by one Floyd. In reply to a letter written by the cashier of the Decatur bank as to the standing of the parties whose

names appeared on the collaterals, the cashier of the Sheffield bank, on November 20, 1889, wrote, among other things, that Floyd, the indorser, was worth from \$15,000 to \$20,000, and was perfectly good; that he, the writer of the letter, did not know Boykin, the maker, but that he was known to the president of the bank. It was also stated in the letter that the president of the bank had succeeded in making arrangements for the money needed by the bank, but that it would require several days to close the matter, as papers would have to be sent on by the land company. About the 27th day of November, at the request of the cashier of the Sheffield bank, appellee's two renewal notes were exchanged by that bank with appellant for the note made by Boykin, and indorsed by Floyd, which had been placed with the Decatur bank as collateral security, as above stated. When this exchange of securities was made, in answer to an inquiry from appellant's cashier, it was represented by the cashier of the Sheffield bank that appellee was perfectly solvent, and the exchange was made, on the faith of this statement, for the accommodation of the Sheffield bank. The Sheffield bank continued business until the 29th day of November, 1889, when its doors were closed, its business discontinued, and a receiver was appointed by the Comptroller of the Currency on the 23d day of December, 1889. At the time the renewal notes of appellee were so substituted for the Boykin note, indorsed by Floyd, the Sheffield bank had defaulted on its obligations to the amount of \$25,000, and had gone to protest. The president of the bank owed the bank over \$50,000, and it was known to the cashier of the bank that unless the president succeeded in making arrangements in New York, or otherwise, the bank could not pay its creditors in full, and would have to close its doors; but the president had informed the cashier that all necessary arrangements had been made, and that the bank would have sufficient funds to meet its liabilities and continue its business as usual. None of the officers of the Decatur bank were informed, at the time of receiving the collaterals, or the substitution of securities as aforesaid, of the amount of indebtedness owing to the Sheffield bank, but were informed that all necessary arrangements had been made to protect its paper, and enable it to continue its business as usual, and relied on that information. At the time appellee forwarded to the Sheffield bank the two renewal notes, the original notes, in lieu of which they were given, were in New York in the possession of the Merchants' National Bank, the same having been discounted with that bank by the Sheffield bank in the usual course of trade, and the cashier of the Sheffield bank negotiated the renewal notes to the Decatur bank, as above stated, without taking up and returning the original notes to appellee. The cashier of the Sheffield bank testifies that when he transferred the two renewal notes to the Decatur bank, in the place of the Boykin note, he supposed the original notes of appellee were in the bank, and he intended to return them forthwith to appellee, having, at that time, forgotten that they had previously been transferred to the New York bank; and he did not discover the mistake until, after the failure of the Sheffield bank, he received a telegram from appellee inquiring about his notes, and demanding a return of the original notes. Appellant had no notice before receiving the two notes of appellee that they were given in renewal and extension of original notes. Appellee is being sued by the New York bank on the original notes, and by the Decatur bank, in this action, on the renewal notes. Appellee pleaded the general issue, and want of consideration, and failure of consideration, the last two pleas setting up many of the facts above stated. There were also two pleas setting up the insolvency of the Sheffield bank at the time of the transfer of the notes; that the transfer was made

in contemplation of insolvency, and after an act of insolvency; and that a preference was intended; and that the transfer was void, under the provisions of section 5,242 of the Revised Statutes of the United States. Demurrers were interposed to the pleas by the plaintiff, and overruled by the court. The plaintiff filed two replications, averring that it acquired the notes in the regular course of business, before maturity, for a valuable consideration, and without notice of any of the matters of defense set up in the pleas. The case was tried before the court, without a jury, pursuant to the act establishing the court; and the issues were found in favor of the defendant, and judgment entered accordingly.

We have stated the facts fully, for the reason that we are required by the act creating the court to review the conclusions and judgment on the evidence, without any presumptions in favor of the ruling of the court. Section 5,242, Rev. St. U. S., so far as material to this case, declares that "all transfers of the notes, bonds, bills of exchange, or other evidences of debt owing to any National banking association, or of deposits to its credit, . . . or other valuable thing for its use, or for the use of any of its shareholders or creditors, . . . made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with the view to a preference of one creditor to another, except in payment of its circulating notes, shall be utterly null and void," etc. The object of this statute, manifestly, is to secure the preservation, and distribution among all its creditors, of the assets belonging to the bank, fairly and without preferences. By its terms it operates only upon notes, and other evidences of debt, owing to any National bank, and which are assets of such bank. Preferential transfers of such notes, only, are avoided by this statute. Transfers by the bank of notes and other evidences of debt in its possession, which are not part of its assets, but the property of another, are not within the letter or influence of this statute, and the validity of such transfers must be determined independently of its provisions. (*Bank v. Blye*, 101 N. Y. 303, 4 N. E. Rep. 635.) The notes sued on in this action were never evidences of debt owing to the Sheffield National Bank, nor any part of its assets, within the meaning of the statute. They were executed by appellee for a specific purpose only, viz., in renewal and extension of two original notes which were to have been delivered up; and when they were sent by appellee to the Sheffield National Bank for that purpose they could only have become assets of that bank, and owing to it, by taking the place of the original notes evidencing the debt the new notes were intended to renew or extend. Until they were so applied, the position of the Sheffield bank in respect of said notes was nothing more than that of a bailee.

The original notes having, prior to that time, been transferred by the Sheffield bank to the bank in New York, and being held and owned by the latter, the condition upon which the new notes were to become assets of and owing to the Sheffield bank was impossible of performance, and has never been performed. Had the new notes been in the possession of the Sheffield bank when it failed, and gone into the hands of the receiver, they could not have been collected or distributed as assets of the bank, but would have been the property of and surrendered to appellee. The transfer of these notes by the Sheffield bank to the Decatur bank did not, therefore, diminish or affect the assets of the former bank, and for that reason its creditors were in no wise injured or defrauded by the transaction, and it was not a preference or transfer upon which the statute operates.

The defense of appellee to the action, therefore, must be determined, not by this statute, but by the general principles of the commercial law, as recognized by this court. The contention of appellant that this statute has no application to the case, because the Sheffield bank was not the owner of appellee's notes, is not inconsistent with its claim of being a *bona fide* purchaser for value from the Sheffield bank. It is a familiar principle of commercial law that one to whom negotiable paper is intrusted, though himself having no title, is capable of transferring an unassailable title to a purchaser in good faith, relying on the possession. (*Murray v. Lardner*, 2 Wall. 110.) Treating both papers, for the present, as negotiable promissory notes, we take up the inquiry whether, by their transfer to the First National Bank of Decatur, under the circumstances hereinabove detailed, that bank became a *bona fide* purchaser thereof, for value, in the due course of trade, and without notice of the equities existing between the transferrer and the maker. It is the established doctrine of this court that the holder of negotiable paper as collateral security for a pre-existing debt is not a *bona fide* holder for value, nor entitled to protection against equities and defenses existing between prior parties, of which he had no notice, but that such paper is open in the hands of such holder to all the defenses which could have been made against it while in the hands of the original owner. (*Miller v. Boykin*, 70 Ala. 469; *Connerly v. Insurance Co.*, 66 Ala. 432.) And it is the universally recognized doctrine that the holder of negotiable paper who acquires it before maturity, in the ordinary course of business, is presumed to have acquired it for a valuable consideration; but, when illegality, want or failure of consideration, or bad faith in giving it circulation, is shown, the holder must prove that he acquired it before maturity, and for a valuable consideration; that is, the payment of money, or other thing of value, or by the forbearance, postponement, suspension, or surrender of some legal right, or by changing his position in some respect for the worst. (*Connerly v. Insurance Co.*, *supra*.)

It is not questioned that the collaterals originally transferred by the Sheffield bank to appellant were taken by the latter as collateral security for a pre-existing debt, but it is urged that there was a new and independent consideration in the form of an agreement for indulgence or forbearance. In Tied. Com. Paper, § 175, it is said: "Another common kind of consideration for the support of commercial paper, and of obligations issuing out of such paper, is the forbearance or extension of the time of payment. Whether an agreement to forbear for an indefinite period, as for 'a reasonable time,' is a sufficient consideration, has been differently decided by the courts, although the weight of authority is in favor of its being sufficient. But in order to be a sufficient consideration there must be an agreement to forbear; mere forbearance, without the obligation to forbear, is not sufficient." The same author, at page 273, § 167, further says: "Not only would forbearance be a sufficient consideration to make the indorsee of collaterals a holder for value, when the forbearance is provided for by express agreement, but also when it can be fairly implied from the nature of the transaction." In 1 Pars. Notes & B. p. 224, it is said: "For the giving of time would be a present and a valuable consideration, and a pledge on these terms would be the same as a pledge for money paid down." In 1 Daniel, Neg. Inst. § 829a, this doctrine is recognized, and the author quotes from Redfield, C. J., as follows: "The transaction possesses both the cardinal ingredients of a valuable consideration; it is a detriment to the promisee and an advantage to the promisor; and it is no satisfactory answer to say that the party who takes such a bill or note is in the same condition as he was before. This is by no means certain. He has for

the time foregone the collection of his debt, and in such matters time is of the essence of the transaction ; and the debtor thereby gains time. It may be more or less, but of necessity some time is gained ; and in such matters this is always accounted an advantage, and is often of the most vital consequence to the debtor." (*Atkinson v. Brooks*, 26 Vt. 574.)

It is urged by appellant that there was a new and independent consideration supporting the transfer in the promise on its part to permit the money to remain with the Sheffield bank, provided sufficient collateral should be given. The testimony relied on by appellant to show such an agreement is the testimony of the cashiers of the respective banks. The testimony of T. L. Benham, the cashier of the Sheffield bank, is as follows : " Littlejohn thereupon informed witness Benham that, if sufficient collateral was deposited with him to secure said indebtedness, he would permit the money to remain with the said First National Bank of Sheffield for a week or ten days ; that he would return to Decatur that day ; and that Benham was to either send him the money or the collateral to secure the said indebtedness the next day." On the 18th of November, Benham wrote to Littlejohn inclosing the collateral, saying, among other things : " I inclose you herewith the following notes for collateral, as advised you I would send." The testimony of Littlejohn, cashier of the Decatur bank, is as follows : " That T. L. Benham then requested him to leave the amount of \$6,200 with his said bank for a few days, as it was not convenient for him to pay that amount at that time ; that witness Littlejohn then informed said Benham that he was perfectly willing to leave the balance with said bank for a week or ten days, provided sufficient collateral was deposited with him to secure that amount ; that he would return to Decatur that day, and requested the said T. L. Benham, cashier, to forward him the money next day, or a sufficient amount of collateral to secure it." At the time referred to in the above testimony, Littlejohn, the cashier of the Decatur bank, had gone to Sheffield to demand the entire amount due from the Sheffield bank. Twenty-five hundred dollars of the amount was paid, and the balance, \$6,200, allowed to remain as above detailed by the witnesses. According to this testimony, it seems to be established that the transfer of the collaterals was not simply induced by the forbearance of the collection of the principal debt, but that they were transferred in consideration of an express promise to forbear the collection of the debt for a week or ten days, and that such indulgence was in fact given. This agreement is somewhat indefinite as to the time of the indulgence or forbearance, but not so much so as to render the agreement incapable of enforcement. In any aspect, it was an agreement to forbear collection of the debt for at least a week from the time of the agreement, and whether for a week or ten days is immaterial.

There are many decisions in which much greater uncertainty in the terms of the agreement existed, as to the time of the forbearance, than in this agreement, in which it is held the agreement constituted a valid consideration for the transfer. 1 Pars. Notes & B. p. 198, and authorities cited in notes. That the promise proved of detriment to the Decatur bank is shown by the proof that the Sheffield bank, in a day or two thereafter (within less than a week), was compelled to close its doors and went into the hands of a receiver appointed by the Comptroller of the Currency. We are unable to perceive any sound principle upon which it can be held that the notes sued on are not protected by this agreement.

It is true they were not among the collaterals originally taken by the Decatur bank at the time of the agreement, but they were afterwards,

by mutual consent of the parties, and without any new consideration, substituted in the place of one of the collateral notes originally taken. Under this arrangement, we think that the substituted notes, in their relation to the agreement for forbearance, partook of the character of the note for which they were substituted, and were thereafter held by appellant in precisely the same plight and condition as the note whose place they took. But if it should be conceded that the substitution of appellee's notes for the Boykin note was a new transaction, and independent of the promise or agreement for forbearance, the result cannot be different, for, in that event, the surrender of the Boykin note was in and of itself a valuable consideration for the transfer of appellee's notes, and this is true whether the parties to the Boykin note were solvent or insolvent. (1 Daniel, Neg. Inst. § 827.) The author last cited says: "The surrender of one collateral is a good consideration for the transfer of another, even though the former is worthless, and the debt is not yet due." And the text is supported by numerous authorities cited in note 2 to said section. In what has been said we have treated both notes as negotiable paper, but appellee insists that the failure to designate a payee in one of the notes, there being a blank where the name of the payee should have been written, destroys its negotiability, if it does not render the note altogether invalid. The law on this subject is well settled to the contrary. The result of the authorities is stated in 2 Amer. & Eng. Enc. Law, p. 339, as follows: "The delivery of a note, or bill containing blanks impliedly authorizes the holder to fill them as he pleases, unless restrained by the instrument itself; and this authority extends to all parts of the document delivered, *e. g.*, the signature of the drawer's name, the payee's name, the date, the time of payment, the rate of interest, the place of payment, and the amount to be paid." In Tied. Com. Paper, § 35, it is said with reference to bills and notes executed in blank: "Such negotiable instrument carries on its face an implied authority to fill up the blanks and perfect the instrument; and, as between such party and innocent third parties, the person to whom it was intrusted must be deemed the agent of the party who committed such instrument to his custody, or, in other words, it is the act of the principal, and he is bound by it." And in 1 Daniel, Neg. Inst. p. 143, it is declared that the party executing a blank note will be bound although the holder pervert the power to fill the blank to an unintended use; and at page 145 it is said that, if the payee is left blank, the holder may insert his own name, but that the holder must actually fill the blank before he can recover, and at page 146, that the holder, where there is an indorser, but no payee, may insert the indorser's name as payee. Another principle applicable to this particular note is that the payee is, in some cases, made the promisee by construction of law only; so that if the instrument, though not naming any certain payee on its face, furnishes the means by which the payee can be certainly ascertained, it is sufficient. (1 Pars. Notes & B. p. 31.) Here one of the notes is both made and indorsed by the same person, the appellee, with the name of the payee blank, and was delivered in that condition. The only reasonable inference arising from the indorsement is that the maker was intended as the payee. Any other inference would render the indorsement an entirely unnecessary act. The indorsement, under these circumstances, sufficiently indicates the payee, and makes it immaterial whether the blank was actually filled or not, before judgment was rendered.

Furthermore, on this point it is sufficient to add that no objection was made in the lower court which brings this question up for review here. We have noticed it simply because it has been pressed by coun-

sel, who insist that, if the case should be reversed as to the complete note, judgment must be rendered here for defendant as to the blank note, upon the ground that the act creating the City Court of Anniston requires us to render such judgment on the facts as the court below should have rendered. While it seems that a great hardship is about to be inflicted upon appellee in consequence of the wrongful act of the Sheffield bank in transferring to appellant the notes sued on in this action, because of the likelihood that appellee will be compelled to pay both the original and renewal notes, we see no escape from the conclusion that the judgment of the City Court must be reversed, there being nothing in the proof to show that the Decatur bank had notice of the infirmities attaching to the notes, or of any fact which would have put it on inquiry. The judgment of the City Court must be reversed, and a judgment here rendered for appellant, the plaintiff in the court below, for the demand mentioned in the complaint, and interest thereon, together with the costs of suit and the costs of the appeal in this court and in the court below.

Reversed and rendered.—*Southern Reporter*.

CERTIFICATION OF CHECKS.

Thompson, et al. v. St. Nicholas National Bank.

Plaintiff's testator deposited with a firm of brokers certain bonds as margins for purchases of stock, and the brokers, without his knowledge, delivered them to a bank under a standing agreement, previously made, that, if the brokers became indebted to the bank, it might at any time, in its discretion, sell any collateral held by it to secure such debt. On the day of the pledge, but not in pursuance of any agreement made at the time of receiving the bonds, the bank, on the faith of the bonds, certified and subsequently paid certain checks drawn by the brokers. The bank took the bonds in good faith, without notice of the testator's title. *Held*, that the bonds were a valid security for the debt created by the certified checks, notwithstanding that the certification was in violation of Rev. St. § 5,208, which makes it unlawful for any National bank to certify any check unless the person drawing the same has on deposit sufficient money to meet it; and plaintiffs could not recover the bonds without first paying the debt. (21 N. E. Rep. 57, affirmed.)

Rev. St. § 5,208, which makes it unlawful for any National bank to certify any check unless the drawer has on deposit money sufficient to meet the same, but declares that a check so certified shall be a valid obligation against the bank, does not, as between the parties, invalidate a pledge of bonds made by the drawer of such checks to secure the indebtedness thereby created from him to the bank, when the transaction has been completed by payment of the checks.

Mr. Justice Blatchford delivered the opinion of the court.

This is an action brought by John B. Thompson, in the Supreme Court of the State of New York, against the Saint Nicholas National Bank of New York, a National banking association. The complaint alleged that on the 18th of April, 1874, the plaintiff was the owner of 73 mortgage bonds, of \$1,000 each, of the Jefferson, Madison & Indianapolis Railroad Company, and 20 mortgage bonds of \$1,000 each, of the Indianapolis, Bloomington & Western Railroad Company, of the value of \$150,000; that on or about that date the defendant became wrongfully and illegally possessed of the bonds; and that, before the suit was brought, the plaintiff demanded from the defendant the possession of them, but the defendant refused to deliver up any portion thereof.

The answer of the defendant set up that at the time named in the

complaint, and for a long time before, Capron & Merriam, bankers and brokers in the city of New York, were customers of, and regular depositors with the defendant, and kept a large account in its bank; that it was the custom of Capron & Merriam to procure call loans, advances, and discounts from the defendant, for the benefit of themselves and also of their customers, and they pledged to the defendant, as collateral security for such loans, advances, and discounts, various bonds, stocks, and commercial paper, under an agreement on their part that in case they should be at any time indebted to the defendant for money lent or paid to them, or for their use, in any sum, the defendant might then sell, in its discretion, at the brokers' board, public auction, or private sale, without advertising and without notice, any and all collateral securities and property held by the defendant for securing the payment of such debt, and apply the proceeds to that object; that the bonds specified in the complaint were a part of the securities so pledged by Capron & Merriam to the defendant; that the defendant, at the time of such transactions, did not have any knowledge in respect to any person interested in such loans or in said securities, except Capron & Merriam, and, the latter having failed to pay such loans on proper demand, the defendant proceeded to sell and dispose of said securities, pursuant to such agreement, and gave to Capron & Merriam credit for the net proceeds thereof; and that there still remained due to the defendant, on account of such loans and advances, after such credit, a large balance.

The plaintiff having died, and his executors having been substituted as plaintiffs, the case was tried at a circuit of the Supreme Court before a jury, which, under the direction of the court, found a verdict for the defendant. The exceptions of the plaintiffs, taken at the trial, were heard in the first instance at the general term of the Supreme Court, on a case made by the plaintiffs, containing the exceptions. A motion for a new trial was made thereon before the general term, and was denied, with an order that the defendant have judgment against the plaintiffs upon the verdict, with costs. Such judgment was entered, the principal portion of the opinion of the general term being reported in 47 Hun. 621. The plaintiffs then appealed to the Court of Appeals, which affirmed the judgment, and remitted its own judgment to the Supreme Court, where a final judgment was entered against the plaintiffs. The opinion of the Court of Appeals is reported in 113 N. Y. 325, 21 N. E. Rep. 57. The plaintiffs have brought a writ of error.

The 93 bonds in question were all coupon bonds, payable to bearer. The testator of the plaintiffs delivered them to Capron & Merriam, who were his brokers, as margin for purchases of stock by them for his account. Capron & Merriam pledged the bonds to the defendant, they being its customers, as collateral security for the repayment of any indebtedness which might exist at any time to it on their part. That pledge was made under a written agreement, dated December 2, 1873, and signed by Capron & Merriam, which read as follows: "We hereby agree with the St. Nicholas National Bank of New York, in the city of New York, that, in case we shall become or be at any time indebted to said bank for money lent or paid to us or for our account or use, or for any overdraft, in any sum or amount then due and payable, the said bank may, in its discretion, sell at the brokers' board, or at public auction or private sale, without advertising the same, and without notice to us, all, any, and every collateral securities, things in action, and property held by said bank for securing the payment of such debt, and apply the proceeds to the payment of such indebtedness, the interest thereon, and the expenses of the sale, holding ourselves responsible and liable for the payment of any deficiency that shall remain unpaid after such appli-

cation." Afterwards the defendant paid and advanced for Capron & Merriam large sums of money on the faith of the bonds and of such other securities as it held for their account. They failed in business on April 20, 1874, owing the defendant \$71,920.17, for checks certified by it and outstanding, and for money paid by it up to the close of business on April 18, 1874. On April 20, 1874, before the defendant heard of such failure, it paid \$210 more, making a total debt of \$72,130.17, which remained unpaid. No notice or claim as to the ownership of the 93 bonds by the testator of the plaintiffs came to the defendant until May 5, 1874. The bonds came into the possession of the defendant before it made the certifications of checks for the account of Capron & Merriam, which were made on April 18, 1874; and the certifications were made on the faith of the deposit of the bonds and of the other securities which the defendant held for the account of Capron & Merriam. The defendant used its best efforts to procure as large a price as possible for all the securities which had been pledged to it by Capron & Merriam, including the 93 bonds; but, after crediting to Capron & Merriam the entire proceeds of sales, there was a deficiency on their debt to the defendant of about \$1,800. No payment on account of such deficiency, and no tender or offer of any kind in respect to said bonds, was ever made to the defendant by the testator of the plaintiffs. This action was not commenced until April 18, 1880, six years after the bonds came into the possession of the defendant.

At the trial the plaintiffs asked the court to direct a verdict for them on the ground that the contract of certification of the checks by the defendant was void, because it was unlawful, being a certification of checks drawn by Capron & Merriam when they had no money on deposit to their credit with the defendant, and the defendant could not hold the 93 bonds as against such unlawful certification; and on the further ground that the defendant did not take the bonds in the ordinary course of business.

The Federal question thus involved is the only one which we can consider on this writ of error. It arises under the act of March 3, 1869, c. 135 (15 St. p. 335), which was the statute in force on April 18, 1874, and read as follows: "It shall be unlawful for any officer, clerk, or agent of any National bank to certify any check drawn upon said bank, unless the person or company drawing said check shall have on deposit in said bank, at the time such check is certified, an amount of money equal to the amount specified in such check, and any check so certified by duly authorized officers shall be a good and valid obligation against such bank; and any officer, clerk, or agent of any National bank violating the provisions of this act shall subject such bank to the liabilities and proceedings on the part of the Comptroller as provided for in section fifty of the National banking law, approved June third, eighteen hundred and sixty-four." (13 St. c. 106, p. 114.) The provisions of that section 50 were that the Comptroller of the Currency might forthwith appoint a receiver to wind up the affairs of the banking association. The provisions of the act of March 3, 1869, are now embodied in section 5,208 of the Revised Statutes.

In regard to the Federal question involved, namely, the certification of checks by the defendant for Capron & Merriam without having on deposit an equivalent amount of money to meet them, and the contention that the defendant did not become a *bona fide* holder of the bonds in virtue of payments made in pursuance of the agreement with that firm, the Court of Appeals remarked, in its opinion, given by Ruger, C. J., that the statute of the United States affirmed the validity of the contract of certification, and expressly provided the consequences which

should follow its violation; that the penalty incurred was impliedly limited to a forfeiture of the bank's charter and the winding up of its affairs; that it was thus clearly implied that no other consequences were intended to follow a violation of the statute; and that it would defeat the very policy of an act intended to promote the security and strength of the National banking system if its provisions should be so construed as to inflict a loss upon the banks, and a consequent impairment of their financial responsibility. The court then cited, to support that view, *Bank v. Matthews*, 98 U. S. 621; *Bank v. Whitney*, 103 U. S. 99; and *Bank v. Stewart*, 107 U. S. 676, 2 Sup. Ct. Rep. 778.

The Court of Appeals further said that it was of opinion that the statute in question had no application to the question involved in this suit, which concerned only the relations between Capron & Merriam and the defendant; that, by the deposit of the bonds, the former secured the promise of the defendant to protect their checks of a certain day for a specified amount; that the certification of the checks was entirely aside from the agreement between Capron & Merriam and the defendant, and was a contract between the defendant and the anticipated holders of the checks; that Capron & Merriam had received the consideration of their pledge, when the defendant agreed with them to honor their checks, and that would have been equally effectual, between the parties, without any certification; that the certification was simply a promise to such persons as might receive the checks that they should be paid on presentation to the defendant, in accordance with its previous agreement with Capron & Merriam; that the legal effect of the agreement was that the defendant should loan a certain amount to Capron & Merriam, and would pay it out on their checks to the persons holding such checks; that it was entirely legal for the defendant to contract to pay Capron & Merriam's checks, and it did not affect the legality of that transaction that the defendant also represented to third parties that it had made such an agreement and would pay such checks; that Capron & Merriam could not dispute their liability for the amount paid out in pursuance of such agreement, nor could any other party, standing in the shoes of Capron & Merriam; that the fact that the defendant, in connection with the agreement to pay such checks, had also promised third parties to pay them, could not invalidate the liability previously incurred, or impair the security which had previously been given to the defendant upon a valid consideration; that the fact of the certification was entirely immaterial in respect to the liability incurred by Capron & Merriam to the defendant; that there was no evidence impairing the title to the bonds acquired by the defendant through the transfer of them to it by Capron & Merriam; that the purpose for which the bonds were transferred by the testator of the plaintiffs to Capron & Merriam contemplated their transfer and sale by the latter to third persons; that the defendant acquired a valid title to them by their transfer to it; that the transaction between Capron & Merriam and the defendant was in the ordinary course of business pursued by the latter; that it received the bonds in good faith, for a valuable consideration, and within all the authorities this gave it a good title to the bonds; that it was authorized to deal with them for the purpose of effecting the object for which they were transferred to it; that its right to hold the bonds continued so long as any part of its debt against Capron & Merriam remained unpaid; that the testator of the plaintiffs could at any time have established his equitable right to a return of the bonds, and could have procured their surrender, by paying the amount for which they were pledged, but he refrained from doing so, and impliedly denied any right in the defendant by demanding the unconditional surrender

of the bonds; and that he never became entitled to such surrender, and of course was not authorized to recover possession of them. We regard those views as sound, and as covering this case.

The agreement of December 2, 1873, between Capron & Merriam and the defendant, did not call for any act violating the statute. There was nothing illegal in providing that the securities which the bank might hold to secure the debt to it of Capron & Merriam should be available to make good such debt. The statute does not declare void a contract to secure a debt arising on the certifications which it prohibits.

In addition to that, the statute expressly provides that a check certified by a duly authorized officer of the bank, when the customer has not on deposit an amount of money equal to the amount specified in the check certified, shall nevertheless be a good and valid obligation against the bank; and there is nothing in the statute which, expressly or by implication, prohibits the bank from taking security for the protection of its stockholders against the debt thus created. There is no prohibition against a contract by the bank for security for a debt which the statute contemplates as likely to come into existence, although the unlawful act of the officer of the bank in certifying may aid in creating the debt. In order to adjudge a contract unlawful, as prohibited by a statute, the prohibition must be found in the statute. The subjection of the bank to the penalty prescribed by the statute for its violation cannot operate to destroy the security for the debt created by the forbidden certification.

If the testator of the plaintiffs had pledged the bonds to the defendant, he could not, after receiving the defendant's money, have replevied the bonds; and, after possession of the bonds had been given by him to Capron & Merriam, and after they had been subsequently taken by the defendant in good faith, neither he nor his executors can set up the statute to destroy the debt.

This construction of the statute in question is strengthened by the subsequent enactment, on July 12, 1882, of section 13 of the act of that date, c. 290 (22 St. p. 166), making it a criminal offense in an officer, clerk, or agent of a National bank to violate the provisions of the act of March 3, 1869. This shows that Congress only intended to impose, as penalties for overcertifying checks, a forfeiture of the franchises of the bank, and a punishment of the delinquent officer or clerk, and did not intend to invalidate commercial transactions connected with forbidden certifications. As the defendant was bound to make good the checks to the holders of them, because the act of 1869 declares that the checks shall be good and valid obligations against the defendant, it follows that Capron & Merriam were bound to make good the amounts to the defendant. It necessarily results that the defendant, on paying the checks, was as much entitled to resort to the securities which Capron & Merriam had put into its hands as it would have been to apply money which they might have deposited to meet the checks.

Moreover, it has been held repeatedly by this court that where the provisions of the National banking act prohibit certain acts by banks or their officers, without imposing any penalty or forfeiture applicable to particular transactions which have been executed, their validity can be questioned only by the United States, and not by private parties. (*Bank v. Matthews*, 98 U. S. 621; *Bank v. Whitney*, 103 U. S. 99; *Bank v. Stewart*, 107 U. S. 676, 2 Sup. Ct. Rep. 778.)

The bonds in question came into the possession of the defendant before it certified the checks. They were not pledged to it under any agreement or knowledge on its part, or, in fact, on the part of Capron &

Merriam, that subsequent certifications would be made. The certifications were made after the pledge, and created a debt of Capron & Merriam to the defendant, which arose after the pledge. The agreement of December 2, 1873, applied and became operative simultaneously with the certifications, but independently of them, as a legal proposition.

In *Bank v. Townsend* (decided in March, 1891), 139 U. S. 67, 77, 11 Sup. Ct. Rep. 496, after the present case was decided by the Court of Appeals of New York, this court approved the decision in *Bank v. Whitney*, 103 U. S. 99, and said that a disregard by a National bank of the provisions of the act of Congress forbidding it to take a mortgage to secure an indebtedness then existing, as well as future advances, could not be taken advantage of by the debtor, but "only laid the institution open to proceedings by the Government for exercising powers not conferred by law."

Judgment affirmed.—*Supreme Court Reporter.*

PAYMENTS IN CONTEMPLATION OF INSOLVENCY.

COURT OF APPEALS OF NEW YORK.

Hayes v. Beardsley.

Payment of a certificate of deposit by an insolvent National bank more than six weeks before its suspension, and at a time when it was in apparent good standing, and its insolvency known only by its cashier, who fraudulently concealed it, and when there was no evidence to show an intent on the part of the cashier to give preference to the depositor, is not void, under Rev. St. U. S. § 5,242, providing that all payments by a National bank, made in contemplation of insolvency, with a view of preferring a creditor, are void. (17 N. Y. Supp. 404, affirmed.)

The fact that the depositor is a director does not render him liable for the payment, where he acted in good faith, and was ignorant of any wrongdoing or of the bank's insolvency.

EARL, C. J.—In December, 1883, the defendant deposited in the First National Bank of Auburn \$15,000 and took two certificates of deposit for the same, payable with 6 per cent. interest; and in January, 1884, he made another deposit of \$10,000, and took a similar certificate. On the 23d day of March, 1887, the bank, through its cashier, paid and took up the first two certificates, by transferring to the defendant negotiable paper running a short time, and paying to him in cash the sum of \$506.60, the difference between the value of the negotiable paper and the two certificates. The defendant did not request the payment of the certificates, but payment was voluntarily made by the cashier, for the reason assigned by him to the defendant, "that his directors did not like his paying so large a rate of interest." The third and last certificate was paid on the 3d day of December, 1887, to the Cayuga County National Bank of Auburn, which then held it. Beardsley had indorsed and transferred it to that bank, and the amount thereof was by it credited to him in his account. It was, without his procurement, on the same day, presented by that bank to the First National Bank for payment, and was paid by the paying teller thereof in the settlement of exchanges between the banks in the usual course of business. At the time of these payments the First National Bank was in fact insolvent, and had been so for some years; but its insolvency was known only to its cashier, was unknown to its directors and other officers, and the bank was in good credit with the public, and continued to do business in the ordinary way, without any suspicion as to its insolvency on the part of the persons

dealing with it, until the 21st day of January, 1888. On that day, which was Saturday, it continued to do business until it was closed at the usual hour, when the cashier and one of the bookkeepers absconded, and the financial condition of the bank first became public. Thereafter the plaintiff was appointed receiver of the bank, and he brought this action to recover the amount of the deposits thus paid to the defendant, on the ground that the payments were void under section 5,242 of the Revised Statutes of the United States, which provides as follows: "All transfers of the notes, bonds, bills of exchange, or other evidences of debt owing to any National banking association, or of deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of moneys, bullion, or other valuable thing, for its use, or for the use of any of its shareholders or creditors; and all payments of money to either—made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be utterly null and void." The action was brought to trial at a special term of the Supreme Court, and upon the findings of fact and law there made the complaint was dismissed, and the judgment then rendered, having been affirmed by the General Term, is now brought under review here.

We have carefully read the findings of fact, and the evidence upon which they are based, and we cannot say that the findings have not a sufficient support in the evidence. The essential facts which it was necessary for the plaintiff to establish under the section quoted, in order to recover in this action, were found against him. The bank had not committed any act of insolvency, as it met all its obligations as they became due or were demanded during more than six weeks after the last certificate was paid. While its cashier knew that the bank was insolvent, and must have expected that it would ultimately fail to meet its obligations and be obliged to go into liquidation, yet it cannot be said to have been an undisputed fact in the case that the financial collapse of the bank was impending or imminent; and there is little, if any, ground for saying that these payments were made in contemplation of insolvency. The cashier paid these certificates, as he did all other demands upon the bank, as they were from time to time presented by its numerous customers. The first two certificates were paid, as we must assume, for the reason assigned by the cashier at the time—because they were bearing interest at a larger rate than the directors of the bank were willing longer to pay; and the last certificate was paid to the Cayuga County National Bank in the ordinary course of business, in the settlement of exchanges between the two banks. There was no satisfactory evidence that these payments were made by the bank to prevent the application of its assets in the manner prescribed in the National banking act, or with a view to a preference of the defendant over the other creditors of the bank. The circumstances under which the payments were made, and the condition and credit of the bank at the time, forbid the inference that the payments were made for such a purpose. The defendant was not long selected as a favored creditor. During all the years of the insolvency of the bank, all creditors were treated alike, and there was no preference of one over another. All its demands were met at maturity. There does not appear, from the facts found, to be any better ground for claiming that these payments made to the defendant were void than there is for making the same claim in reference to the numerous payments made in the regular course of business by this bank to its customers during many months prior to the closing of its doors. In

order to uphold a recovery in an action like this, there should be some satisfactory evidence that the cashier or other officer actually paid the money of the bank in contemplation of insolvency, for the purpose of giving a preference to the payee, and with a view to prevent the application of the assets of the bank to the creditors generally, as provided in the National banking act. We think all the circumstances surrounding these deposits and payments forbid such an inference. The facts of this case, as found by the trial judge, fail to bring it within any of the authorities cited by the learned counsel for the appellant. The insolvency of this bank seems to have been covered up and concealed by the cashier with great skill and ingenuity. It was not even discovered by the bank examiners in making their examination of the bank, and no one of the directors had the least suspicion of it. The fact that the defendant, entirely ignorant of the insolvency of the bank, was a director, does not, under such circumstances, as matter of law, charge him with liability for the payments made to him. In the trial of the case, and in weighing and balancing the evidence, that fact must have weight—in some cases controlling weight—with the trial court. But when, after all the evidence is given, it is found that the director acted in good faith, was ignorant of any wrongdoing or of the insolvency of the bank, then a payment made to him must be tested under section 5,242, like payments made to any other creditor of the bank. We have not deemed it important to review the evidence, for the purpose of showing that it was sufficient to sustain the findings of fact, for that was sufficiently done by the General Term. The judgment should be affirmed, with costs. All concur.—*Northeastern Reporter*.

DRAFT, ACCEPTANCE, AND REVOCATION.

COURT OF ERRORS AND APPEALS OF NEW JERSEY.

Trent Tile Co. v. Fort Dearborn National Bank of Chicago.

A bill of exchange, drawn on defendant, was sent by plaintiff to a bank for collection, and on presentation to defendant was accepted by its treasurer, and redelivered to the bank. On the same day defendant's treasurer learned that the drawer of the bill had failed two days before. On the next day defendant's treasurer applied to the bank's cashier for leave to revoke the acceptance, and erase the indorsement, which the cashier declined to do, and notice was thereupon given the bank to refuse payment of the bill. At the time of the acceptance the drawer had no funds in defendant's hands, but was indebted to it. No fraud was shown on plaintiff's part. *Held*, that defendant was bound by its acceptance.

WERTS, J.—The question raised and presented in this case on the trial at the Mercer Circuit and in the Supreme Court was "whether the drawee of a bill of exchange can, after an indorsement of acceptance and redelivery of the acceptance to the agent of the holder, on discovering the insolvency of the drawer, revoke such acceptance, the drawee having no funds of the drawer in his hands." (See case reported 54 N. J. Law, 33, 23 Atl. Rep. 423.) Other questions than that above stated were first raised and presented on the argument in this court. No exception was taken at the trial covering the new points raised, nor was there any assignment of error specifically covering them. "It is the well-settled rule that a party shall not be heard in an appellate court upon a point not taken or a matter not raised and considered in the court below. The point specifically made was properly decided." (*Railroad Co. v. Dailey*, 37 N. J. Law, 528; *Railroad Co. v. Page*, 41 N. J. Law, 183.) The judgment is affirmed for the reasons given in the Supreme Court.—*Atlantic Reporter*.

TAXATION.

SUPREME COURT OF UNITED STATES.

Albuquerque Nat. Bank v. Perea, Sheriff and Ex-officio Collector.

Under the law of New Mexico, which requires property to be assessed at its cash value, property of a National bank was so assessed, but on appeal to the board of equalization the assessment was reduced to 85 per cent. of the full value. *Held*, that the mere fact that other property was assessed at 70 per cent. of its value, not through any design or systematic effort on the part of the assessors, would not justify an injunction to restrain the collection of the tax. (25 Pac. Rep. 776. affirmed.)

Before a court of equity will grant an injunction to restrain the collection of a tax on the ground of excessive valuation and discrimination, the part of the tax which is undoubtedly due must be paid or tendered. (25 Pac. Rep. 776. affirmed.)

On November 3, 1888, appellant, as plaintiff, filed its bill in the district court of the second judicial district of the territory of New Mexico to restrain the defendant, sheriff and *ex-officio* collector of Bernalillo County, from the collection of the regular territorial, county, and city taxes assessed and levied upon its property for the year 1888. The ground upon which the injunction was sought was, generally speaking, inequality and discrimination in the assessment. The bill alleged that the plaintiff made a return of its property for taxation to the assessor, protesting at the time that its property should not be assessed at any greater rate than other property; that, disregarding the protest, the assessor assessed the property at its par and full value; that thereupon it appealed to the board of equalization, which reduced the assessment to 85 per cent.; "that all other property in the county and territory is not assessed at near so high a valuation upon its actual value;" and that the average valuation of such other property does not exceed 70 per cent. of its actual value. At first there were also allegations to the effect that the assessor and board of equalization systematically discriminated in the valuation and assessment of complainant's property and other property in the territory, but they were voluntarily stricken out by the plaintiff. It further alleged "that the amount of its taxes upon the assessment as made by the board of equalization is the sum of \$2,189, and that the amount of the assessment which your orator should justly pay for its said property, if lawfully, equitably, and justly assessed, would be the sum of \$1,532.30, which said sum your orator brings into court, and hereby tenders and offers to pay to the said defendant, Jose L. Perea, *ex officio* collector of said county of Bernalillo."

Subsequently, and on November 29, 1889, it filed a supplemental bill, the purpose of which was to restrain the collection of the taxes for the year 1889. That bill, on its face, failed to allege the amount of taxes levied upon the property of the plaintiff for that year; though by reference to one of the exhibits attached—the assessment roll for the county—it appears that it was \$3,713.76. There was an allegation that the amount admitted in the original bill to be justly due for the taxes of 1888 had been paid; and then follow these averments, which are all there are, in respect to an admission of an amount due, payment, or tender:

"And your orator further alleges that, having paid all the taxes for which it was liable for the year 1888, it now comes into court and offers to pay all the taxes which can justly and lawfully be assessed against it

and for which it may be justly and lawfully liable for the year 1889, and now tenders the same into court. . . .

"And your orator further alleges that the said assessment and said tax roll are so made out that it is impossible to separate the property upon which your orator is justly and lawfully taxed, and the taxes upon which are just and lawfully levied, from the balance of the taxes assessed against your orator; but whatever sum may be ascertained by the court to be so justly due from your orator on account of taxes for the year 1889 your orator is ready and willing and bring the same into court, and is ready to pay the same."

The demurrer to these bills, original and supplemental, was sustained by the District Court, and the bills dismissed, and on appeal to the Supreme Court of the Territory this decree was affirmed. From the decision of the Supreme Court of the Territory complainant has brought this appeal.

Mr. Justice Brewer, after stating the facts in the foregoing language, delivered the opinion of the court.

The decree dismissing the original and supplemental bills must be sustained. As to the tax of 1888, the case stands upon the allegation that plaintiff's property was originally assessed at its full value, while other property was assessed 70 per cent. thereof; that it appealed to the board of equalization for a reduction; and that such tribunal reduced the valuation, but only to 85 instead of 70 per cent. It would seem that the mere statement of this was sufficient. The law of New Mexico requires property to be assessed at its cash value. Confessedly, this plaintiff's property was assessed at 15 per cent. below that value. Surely, upon the mere fact that other property happened to be assessed at 30 per cent. below the value, when this did not come from any design or systematic effort on the part of the county officials, and when the plaintiff has had a hearing as to the correct valuation, on appeal before the board of equalization, the proper tribunal for review, it cannot be that it can come into a court of equity for an injunction, or have that decision of the board of equalization reviewed in this collateral way. (*Stanley v. Supervisors*, 121 U. S. 535, 7 Sup. Ct. Rep. 1,234.)

With respect to the taxes of 1889, there was no payment or tender of payment of any amount. Plaintiff seeks to avoid the necessity therefor by alleging that it is impossible to separate the legal from the illegal portion of the taxes—an allegation which is manifestly untrue, in view of the fact that it had no difficulty in making the separation in the taxes of 1888, the assessment for which was made in a similar way, and in view of the further fact that it must have known what property it had which was subject to taxation as well as its value, and, therefore, the rate of taxation being fixed by law, it could, of course, have known what amount was undoubtedly due. The rule in respect to this matter is perfectly well settled in this court. In *State Railroad Tax Cases*, 92 U. S. 575, 616, it was fully considered. In that case it was said by Mr. Justice Miller, speaking for the court: "It is a profitable thing for corporations or individuals whose taxes are very large to obtain a preliminary injunction as to all their taxes, contest the case through several years' litigation, and, when in the end it is found that but a small part of the tax should be permanently enjoined, submit to pay the balance. This is not equity. It is in direct violation of the first principles of equity jurisdiction. It is not sufficient to say in the bill that they are ready and willing to pay whatever may be found due. They must first pay what is conceded to be due, or what can be seen to be due on the face of the bill, or be shown by affidavits, whether conceded or not, before the preliminary injunction should be granted. The State is not

to be thus tied up as to that of which there is no contest, by lumping it with that which is really contested. If the proper officer refuses to receive a part of the tax, it must be tendered, and tendered without the condition annexed of a receipt in full of all the taxes assessed." Many other cases to like effect might be cited.

The decree will be affirmed.—*Supreme Court Reporter*.

LEGAL MISCELLANY

CORPORATION—CAPITAL STOCK—PAYMENT OF SUBSCRIPTION.—The directors of a banking corporation, of which defendant was a director and which was organized to succeed an insolvent bank, of which the same parties were also directors, took in payment of stock of new bank subscribed for by and issued to defendant, an equal amount of stock held by defendant in the old bank, knowing it to be worthless. In suit by the assignee of new bank for the amount of defendant's subscription to the stock: *Held*, the directors were not authorized to issue stock except for money paid, labor done, or property actually received. Section 8, Art. 2, Const. Mo.; § 2,499 R. S. 1889. In this case, nothing was received by the new bank in payment of the stock issued to defendant. [*McDaniel v. W. G. Harvey*, Kansas City Court of Appeals.]

NEGOTIABLE INSTRUMENT—MARRIED WOMAN.—Under Rev. St. 1881, § 5,115, which renders void contracts of suretyship entered into by a married woman, one who sues on a note executed jointly by a married woman and her husband must show that she was not a surety for the husband; but the rule is different where she executes her individual note, as no presumption arises in such a case that she executed it as surety for her husband, or for any other person. [*Potter v. Sheets*, Ind.]

NATIONAL BANKS—INSOLVENCY—PREFERENCES.—Rev. St. §§ 5,234, 5,236, 5,242, which require a *pro rata* distribution of the assets of an insolvent National bank and forbid preferences, do not invalidate liens, equities, and rights arising prior to and not in contemplation of insolvency. [*Scott v. Armstrong*, U. S. S. C.]

NEGOTIABLE INSTRUMENT—ACTION ON BILL OF EXCHANGE.—In an action on a bill of exchange accepted by defendants and transferred to plaintiff; in good faith, before maturity, it is not error to enter judgment for the face of the instrument, with interest from its maturity, though plaintiff purchased it at a discount. [*Petri v. Fond Du Lac Nat. Bank*, Tex.]

NEGOTIABLE INSTRUMENT—EXECUTION—OPINION EVIDENCE.—In an action on a promissory note, testimony of a witness that he "used to be" acquainted with the signature of the alleged maker, but had not seen it for several years, but, judging from the general appearance, it was his impression that "that would be her handwriting, just from the looks of it," sufficiently proves the execution of the note to authorize its admission in evidence. [*Talbott v. Hedge*, Ind.]

NEGOTIABLE INSTRUMENT—PLEADING.—In an action on two notes the answer admitted the allegations in the complaint, but set out a contract for a deed to defendant from plaintiff, with the averment that the execution of the contract and the making of the notes were parts of the same transaction, and that the contract was the only consideration for the notes, and that no deed had been tendered by plaintiff: *Held*, that the complaint was defective, and presented no cause of action, in that it

did not set out the contract, and allege performance by plaintiff of its conditions. [*Naftzger v. Gregg*, Cal.]

BANKS—RIGHTS OF CREDITORS.—A check was forwarded by a collecting bank to the bank on which it was drawn, with directions to collect, and apply the proceeds to a debt owing to the drawee bank by the collecting bank: *Held* that, where the drawee bank failed on the day it received the check, and before it had assented to the direction of the collecting bank, the refusal to accept and pay the check out of the funds of the drawer then to his credit gives only a right of action against the drawee bank on the check, and does not enable the drawer, who subsequently paid the check, either to sue the collecting bank, or entitle him to priority over the other creditors of the drawee bank. [*Romanski v. Thompson*, Miss.]

CORPORATION—STOCKHOLDERS.—A declaration in an action by a stockholder against the other members of a corporation states a sufficient cause of action when it appears therefrom that a member of the corporation who is under obligation to carry the corporation paper has introduced a dummy into the board of directors and, confederating with him, has directed the execution of a mortgage of the corporate property to another confederate, to whom the paper has been assigned for the purpose of avoiding these obligations, and by foreclosing the mortgage thus obtained has wrecked the corporation and appropriated its assets. [*Hanley v. Balch*, Mich.]

ATTACHMENT—PROMISSORY NOTE—DISCHARGE.—Plaintiffs had been sureties for defendant upon a promissory note, which, the defendant failing to pay, they paid, and procured to be assigned to them. In this action against the principal maker of the note they caused an attachment to be issued upon the ground that the suit was brought upon an overdue promissory note: *Held*, the statute was not intended to cover such case, and that the defendant's motion to dissolve the attachment should have been sustained. [*Fitch v. Hammer*, Colo.]

BANKS—NATIONAL—PAYMENTS IN CONTEMPLATION OF INSOLVENCY.—(1) Payment of a certificate of deposit by an insolvent National bank more than six weeks before its suspension, and at a time when it was in apparent good standing, and its insolvency known only by its cashier, who fraudulently concealed it, and when there was no evidence to show an intent on the part of the cashier to give preference to the depositor, is not void, under the Revised Statutes of the United States, section 5,242, providing that all payments by a National bank, made in contemplation of insolvency, with a view of preferring a creditor, are void. (17 N. Y. Supp. 404, affirmed.) (2) The fact that the depositor is a director does not render him liable for the payment, where he acted in good faith, and was ignorant of any wrong-doing or of the bank's insolvency. Dec. 23, 1892. [*Hayes v. Beardsley*, N. Y. Court of Appeals.]

BANKS AND BANKING—ACTION FOR OVERDRAFTS.—In an action by a bank for overdrafts paid on defendants' checks, where it appeared that plaintiff was instructed by defendants to cash no checks not countersigned by their bookkeeper, and that the checks for which recovery is sought were not so countersigned, the burden is on plaintiff to show that defendants received the benefit of the amount so drawn. [*Gladstone Exch. Nat. Bank v. Keating*, Mich.]

CORPORATIONS—STOCKHOLDERS—ELECTION OF DIRECTOR.—Stockholders may place their stock in the hands of a depository, with direction to vote it as directed by a committee appointed by themselves, and subject to their control. [*Ohio & M. Ry. Co. v. State*, Ohio.]

THE GENERAL MANAGER OF THE MERCHANTS' BANK OF CANADA.

Few men in the Dominion are better known by reputation to merchants and bankers than the present General Manager of the Merchants' Bank of Canada. We say by reputation, because Mr. Hague has scarcely had the opportunity of making acquaintances that a political life might have given him, and he is not personally known to more than, perhaps, one in ten who have been made familiar with his name by the varied labors of a long and active life in Canada.

George Hague was born in England, at Rotherham, in the West Riding of Yorkshire, and the family from which he is descended has had representatives in that neighborhood for nearly three hundred years. As a boy he was studious, and especially apt in calculation, carrying off at the age of eleven a prize in mental arithmetic against the whole of a large boarding-school. He seems to have made the most of his school years, and of his earlier years thereafter, for it is said of him that he continued privately to study logic, mathematics, and languages in his leisure hours. Whether this was his natural bent, or whether he was prudently advised thereto, the result was the formation of habits of close application and concentration of thought. The value in after life of such habits is apt to be lost sight of in these days. Present systems of public school instruction, on this continent at least, partake too much of the nature of cram. The proper scheme of education has been well described to mean "the preparation that is made in our youth for the sequel of our lives." The very meaning of the word is to *lead forth*, and train the mind to acquire and assimilate knowledge, rather than to overload it in early years with dates, facts and figures, until mental indigestion is the result.

In the year 1840 young Hague entered the office of the Sheffield Banking Company as a junior clerk. This was, even then, as we believe it is to-day, one of the most ably managed banking concerns in the north of England, and to the thorough business training he there received, extending over eleven years, Mr. Hague has himself attributed much of the success of his career. It has been supplemented since, of course, by varied after experience, for novel circumstances in a new country afford lessons which, if properly applied, serve to teach what cannot be learned from books, or from the traditions of a banking office. About 1853 a firm of railway contractors operating in Canada sent Mr. Hague to New Brunswick to audit their affairs in that province, and afterwards to Montreal to take charge of their office. After the Canadian affairs of this firm were wound up, Mr. Hague came West, and engaged with the Bank of Toronto as accountant in 1856. In a few years he was appointed to the charge of one of the branches, which his predecessor had administered but too loosely, and where he learned most valuable lessons.

A few years afterwards saw him chief executive officer of the bank, where his knowledge of banking, his habits of industry and method, his application of correct principles and business-like practices, resulted, with the assistance of a shrewd board of directors and a faithful staff, in the sound growth and development of the institution. During the fourteen years of Mr. Hague's incumbency of the chief management the paid-up capital of the Bank of Toronto grew from \$800,000 to

\$2,000,000, and its Rest from a comparatively trivial sum to \$1,000,000, or one-half the capital.

At the close of December, 1876, Mr. Hague voluntarily severed his connection with the Bank of Toronto, on which occasion he was presented by the authorities of the bank with a testimonial in the shape of a handsome honorarium, *plus* a solid silver service. This step he took in accordance with what he conceived to be his duty in connection with religious and philanthropic enterprises. To these he had long given largely of his leisure hours, but now he intended to devote his whole time to the service of the Christian Church as a layman. In the following year, however, he was induced by strong pressure to sacrifice his preference for the more sacred calling, and undertake a secular task far more onerous than any that had hitherto been laid upon him. This was the extrication of the Merchants' Bank of Canada from difficulties which were at that time threatening its existence.

The period was a troublous one in the financial history of the country. For several years business of nearly all sorts had been depressed; insolvencies were numerous, and the bank, which did business in the United States and England as well as Canada, had made heavy losses. Its shares fell steadily, and there were calls for a change of management. The president, Sir Hugh Allan, and the general manager, Mr. Jackson Rae, had resigned, the former being replaced by Hon. John Hamilton, and an appeal was made by a committee of shareholders and the board of directors to Mr. Hague to undertake the general management. He did so in 1877. What a heavy task he undertook will be better understood when we recall the importance and the wide extent of the institution. The loans of the Merchants' Bank were at this time close upon eighteen millions of dollars, the deposits nearly eight millions; the stock had long been below par, while there was suspicion that the dividends were not earned. Reconstruction and retrenchment were at once set on foot, foreign operations stopped, unprofitable branches closed. The board of directors and the numerous staff co-operated heartily in the reforms undertaken. It soon became evident that losses had been so serious as to impair the capital of the bank, which had stood at something over \$8,000,000. A reduction of one-third of the capital was made, parliamentary authority having been obtained, and the whole machinery of the bank was readjusted to this new scale and to the more prudent ideas of the new management. Gradually, with the improvement of trade throughout Canada, the credit of the bank was thoroughly restored, and as its business enlarged and prospered, its increased earnings being well husbanded, since 1878 the institution has paid dividends regularly, and its shares now command 160. In addition to the capital of \$6,000,000 there has been accumulated a reserve of \$2,600,000. It has twenty-nine branches covering the country from Quebec to Manitoba, as well as an important office in New York, holds deposits of eleven millions of dollars, and its total loans and investments exceed twenty millions.

The policy of weeding and pruning, restraining and husbanding, necessary during the first four or five years of Mr. Hague's *régime*, meant a night and day strain of labor and responsibility far beyond what ordinarily falls to the lot of the General Manager even of a much larger bank. Indeed he has been heard to say that but for the habits of close analysis and continuous work, formed in his early youth, and but for his steady reliance upon higher than human aid, he would have been broken down by the strain of those anxious and exhausting years. His constitution must have been a sturdy one, for with all the tasks imposed upon him by himself and others, his physical and mental vigor no more

show abatement than does his industry. For half his business life he has been a valued contributor to financial journals, probably to none more frequently, during the last twenty years, than to the *Monetary Times*. His style as a writer is direct, to the verge of bluntness, and while free from any attempt at fine writing, shows grasp of his subject, while it evinces reading and observation.

Mr. Hague is a ready speaker as well as a practiced writer. He delivered an address before the British Association for the Advancement of Science at its Montreal meeting, and he has repeatedly addressed the members of the American Bankers' Association at their annual meetings in American cities, and if we do not mistake, his addresses on these occasions have been issued in pamphlet form. Precedent is found in the practice of English bank managers for the custom which prevails among the larger Canadian banks of having their shareholders addressed at the annual meeting by the cashier or general manager, not only upon the affairs of the particular bank itself, but upon the trade of the country generally. These addresses are looked forward to with much interest by intelligent business men in the Dominion, on account of the exceptional command of data for such a review possessed by the manager of any concern with branches scattered all over the land. It is not too much to say that the addresses thus delivered annually by Mr. Hague have served an excellent purpose. His aim seems to be to make them intelligible to the business man, great or small, and to draw lessons of prudence and thrift from the errors and excesses of the past. There are some things, which, as Carlyle put it, have been said to men a thousand times, yet they require to be said the thousand-and-first time. If any one complain that Mr. Hague and his *confreres* are too didactic on such occasions—that there is no need of so much commercial advising and financial preaching—the reply is ready that so long as economical principles are violated and sound commercial practices set at naught, just so long it is the right, nay, the duty, of competent observers to speak out in correction of the evils they perceive. The subject of this notice is one who is wont to speak or write freely of commercial and banking abuses; and he does so, as a rule, in a way which, while it is reasonably free from technical terms of the theorist, shows in a marked degree the experience and common sense of the practical man of business.

In the councils of the nation, as well as in gatherings of the profession of bankers, Mr. Hague's opinions and ideas have had great weight, and particularly when, in 1868 and 1869, the Government of which the late Sir John Macdonald was the head, made an attempt to assimilate the currency of Canada to that of the United States. Mr. Hague studied the measure carefully, and became convinced that its adoption would result in heavy damage to the mercantile interests of the country and to the banks. In conjunction, therefore, with others who shared his views, both in Parliament and out of it, he organized and led an opposition, which after a strenuous contest, continued through two sessions of Parliament, proved successful. While others took an active and influential part in the contest, it is certain that but for the determined perseverance exhibited by Mr. Hague at a time when the struggle was deemed hopeless by others, the opposition would have been abandoned, and the country saddled with a system of currency entirely unsuited to its wants, and one which is now occasioning embarrassment in the United States. In 1880, when the renewal of the Canadian bank charters was again in discussion, Mr. Hague was desired by the bankers convened in Ottawa to present to the Finance Minister their views on the question of the currency. Again, in 1890, when the Government was

considering modifications of the Banking Law, he arranged a conference of bankers to consider the changes proposed, and took a prominent part in the discussion that followed, and in an interview with the Privy Council on the subject.

A marked compliment was paid him in his election as the first president of the Bankers' Association of Canada, formed in 1891. The Canadian Government has shown its opinion of his sagacity by appointing him Chairman of the Royal Commission upon the reform of the Civil Service, which body has issued a report upon the subject.

Mr. Hague is among the few men in Canada who have written voluminously on banking and financial subjects. He has done much to diffuse sound principles, to bring about wise and honorable methods of business, and to promote the lasting prosperity of the country.—*Monetary Times, Toronto, Ont.*

BIMETALLISM IN EUROPE AND INDIA.

An eminent German financial writer, Dr. Geffcken, has contributed a very interesting article to the New York *Tribune* on the above subject.

It is, of course, free to convinced bimetalists to say, as General Sir G. Chesney has done (*Nineteenth Century*, January, p. 116): "That the supporters of that creed have no cause for despondency, that the doctrine is making its way as quickly as can fairly be expected, and that of the two classes to be reckoned with—the persons who understand the subject, and those who do not—the former have now become bimetalists." But such apodictic assertions prove nothing, and the honorable General, further on, himself acknowledges: "But bimetalism is impossible for the present." We take account of this admission and leave the author to his belief that the future will some day belong to bimetalism; the fact which alone concerns us is that there is now no chance of a universal international treaty regulating the monetary relations of the world, which, as bimetalists admit, would be necessary for establishing a fixed ratio in the value of gold and silver.

But if such a compact is impossible, it may not be without interest to state shortly what is the present monetary condition of the principal States. We may omit to take into closer consideration those countries which, in fact, have only a depreciated paper currency, and where, consequently, gold commands a high premium. The only one of this class which deserves special attention is Russia, which, although the paper ruble is only worth two-thirds of its value and is inconvertible, has amassed gold to the amount of more than \$400,000,000. The reason lately alleged by the Finance Minister von Witte, that this sum shall serve as a security for the notes, is not very plausible, neither the Exchequer nor the banks exchanging notes for gold. It is evidently a large fund for future war, in which case Russia would find it difficult to raise the gold necessary for her foreign liabilities. From the monetary point of view this hoard has its importance in the fact that such a large sum in gold is immobilized and withdrawn from circulation.

The greatest contrast to countries with a depreciated paper currency is offered by those having the pure gold standard. England here stands first, any liability exceeding £2 being payable in gold or Bank of England notes, which are legal tender, but must be exchanged in gold at demand. The sum of gold kept by the banks and public of course varies somewhat. At present it is estimated at about 115 to 120 million pounds sterling.

Germany is in the same situation, with a gold circulation of about 2,500,000,000 marks (\$825,000,000). It is true that besides the silver, which, as in England, serves as token money, Germany has kept \$100,000,000 in its old thalers (a thaler equals 3 marks). This is the consequence of Bismarck's unwise measure of stopping the sale of the silver in order to prevent a further depreciation of that metal, which was not attained. However, that sum is not large enough to affect in any way the gold standard. Denmark, Sweden and Norway have also adopted the latter, but have watered it with much paper currency, so that comparatively little gold is seen in circulation, and the existing sums are pretty exclusively kept by the banks. Much better stands Roumania. It has sold at tolerable prices its superfluous silver (about \$5,000,000), and the central bank at Bucharest now keeps \$11,000,000 in gold, so that the gold standard seems fairly well established. Austria-Hungary is on the eve of passing to it; both parts of the monarchy have for that purpose amassed a fund of about \$110,000,000, and are converting all their former 5 per cent. loans in paper and silver into 4 per cent. gold rentes. The conversion and a first gold loan have been fairly successful, and, unless there should be some unforeseen disturbance, the operation will be carried out. The only question is whether the Government will be able not only to get the necessary gold for filling the channels of circulation, but to keep it; any political complication might compromise the enterprise. On the other hand, we have the countries which, like China and India, have the pure silver standard, and will certainly keep it for an indefinite future. Of China this is perfectly sure, but India would also have the greatest difficulty in passing to another system. In the internal trade the rupee has not lost its purchasing power, and silver prices have but slightly risen. This is easily accounted for when we consider the great mass of the currency already accumulated in that country, and the enormous population over which it is distributed. Besides, the large import of silver from Europe disappears in the hoardings of the people; so that if India had alone to be considered, it might be left to itself. But the Indian Government occupies the singular position that, while its revenues are raised in silver, it has large liabilities in the way of gold payments, first for the interest of the debt raised in England for public purposes and for the guaranteed railways, then for a large part of its military expense, for salaries, pensions, etc. Altogether, an amount of about £16,000,000 has to be provided for, and this is done by selling in London bills on the Indian Treasury payable in silver. Now, when the rupee has fallen to 1s 3d, this amounts to an exchange of 90,000,000 rupees for the Indian exchequer, which have to be raised by taxation, and this charge must become still heavier with a further decline of the price of silver. Besides, it is very hard for all Indian officials who receive their salaries or their pensions in silver, that for all expenses out of the country the rupee has lost so much of its value. Yet it is difficult to find any remedy for this inconvenience, except the stopping of the free coinage of rupees in India. This would not, indeed, as Sir G. Chesney thinks, fix the rate of exchange between the two countries, as such a measure could never neutralize the general decline in the price of silver, but the closing of the mints to free coinage would contribute somewhat to steady the rate of exchange and act as a sort of counterpoise against a further fall of the rupee, although even this action will only be partial, for by the closing of these mints the silver market will still be more restricted.

In opposition to the countries which have a single standard, either of gold or of silver, there are those which in fact or by special compact maintain a double standard. To the first belong Portugal and Spain, which,

however, practically have a large silver currency with an equally large circulation in depreciated notes, so that gold is at a premium. Both countries, however, have little general importance for the money market. Besides Portugal is bankrupt and Spain is on the eve of becoming so. But it is astonishing that a country like Holland, which has well-regulated finances and an important money market, should be in a similar condition. Its currency consists nearly exclusively of silver and notes, and the amount of gold kept by the banks is very small.

The European States which have by compact established a double standard belong to the so-called Latin Union, namely, France, Belgium, Italy, Switzerland and Greece. The last is unimportant, having a large currency of depreciated paper, but Italy also is in a bad condition. Seven years ago she resolved to introduce the gold standard and for that purpose made a loan of 600,000,000 francs, but the law omitted the clause by which England and Germany maintain their gold standard, viz.: that every sum above £2 has to be paid in gold. The balance of trade became unfavorable by the tariff war with France, while the Government has to pay a large amount of interest for bonds kept by other countries, in gold. The consequence of these combined circumstances was that the yellow metal rapidly emigrated, and the only result of the gold loan was an additional charge of interest. In fact gold is again at a premium. There is very little silver in circulation, the five, two and one franc pieces having gone to the other countries of the Latin Union, which are bound to admit them as long as the compact lasts. But at the last renewal of the Union it was decided that in case of its dissolution every member had to take back the silver coined by its mints at its full nominal value, and if the Union should come to an end this would entail heavy losses upon Italy, the five-franc pieces being at present intrinsically worth only 3 francs 25. The same is to be said of Belgium, although its financial condition is much better and it has no depreciated paper currency. As long as the coinage of silver was free in the countries of the Latin Union, large sums of five-franc pieces were coined at Brussels, which, bearing the Belgian stamp, the Government in case of a dissolution of the Union would be obliged to take back from the other countries where they circulate; the loss which the Belgian Exchequer would have to bear is calculated, according to the present value of silver, at 45,000,000 to 50,000,000 francs. Switzerland is in a much better condition because it has coined comparatively little silver; but there, also, very little gold is seen, although much of it is brought into the country by the yearly large influx of travelers. The principal reason is that the Government has enjoined all public departments to keep every piece of gold and send it to Berne, to be added to the fund in the case of future complications; practically, therefore, the circulation consists of silver and notes.

France stands in a position different from that of all the other members of the Union. She also has an enormous amount of depreciated silver, but she alone has known not only how to keep the gold, but even to attract it. From 1890 to the end of 1892, the gold kept by the Bank of France alone has risen from 1,126,000,000 to 1,709,000,000 francs. Most of the gold produced by the mines or exported from the United States has gone to France. This is, indeed, a startling fact, which fairly puzzles the economical world, the more so as France has little of American securities, the interest of which is payable in gold, as the balance of trade of 1891 was unfavorable. The only explanation given is that the Bank of France has been manipulated with consummate ability, and that now France is the largest creditor of

Russia, the public possessing about five milliards in Russian securities, payable in gold. At all events, France has so much gold that it was recently found necessary to enlarge the limits of the notes issued by the bank from 3,500,000,000 to 4,000,000,000. France is a very wealthy country, the annual savings of her population being calculated at 2,500,000,000. Thus it has been able to support an enormous taxation, a wasteful policy, and much swindling. The *London Economist* calculates that by the Panama scandal alone the value of French rentes, shares and bonds has declined by 1,416,000,000 francs. But there is another feature which presents grave objections. The law obliges all savings banks to invest their funds in rentes. This is profitable in ordinary times, but in case of an internal crisis or of war, when investors claim their deposits in cash, the rentes could only be sold at a heavy loss. It is significant that already, in consequence of the Panama affair, much money has been withdrawn from the savings banks, so that the Government believed it necessary to threaten with punishment any one who set afloat a false alarm about the situation of those banks.

If now I conclude with a few words on the monetary condition of the United States, I do so with diffidence, feeling well the difficulty for a foreigner to form a competent judgment in this most intricate question; but, as far as I can see, the present crisis is the necessary result of the Bland and Sherman acts, obliging the Government to monthly purchases of silver, which in a few years have amassed in the Treasury a quantity of that metal, which cannot be kept in circulation, neither in specie nor by silver certificates. Besides, this silver has been paid for by notes; and so on the one side the Government has amassed a large floating debt, and, on the other hand, the currency consists practically of paper. Hitherto there has been no lack of gold, because the customs are to be paid in that metal, and the banks throughout the country supported the Government as much as possible. But this situation has been rapidly changing since the large exports of gold to Europe, caused partly by the McKinley bill; for, notwithstanding that measure of seclusion, the imports were considerable in 1892, and as the harvest in those countries which draw corn from America was good, those imports had partially to be paid for in gold. In any event the scarcity of that metal is an accomplished fact. President Cleveland is said to be resolved not to make a move at the present moment, as the Senate in its actual composition would not agree to the repeal of the silver acts; but, if the question is allowed to stand over till December, it may be too late for stopping the disappearance of the gold from circulation, which will then be based upon silver. Even if a gold loan should be made in Europe, as the President intended to do but has given up, probably because the conditions exacted by the London market, which has just sent much gold to Vienna, seemed to the Government too hard for a country the credit of which stands so high, the question would be whether the United States could keep that gold, the export of which cannot be well prohibited, and so would lead to the same experience which, as above alleged, Italy has undergone. The first condition of keeping the gold is the repeal of the silver acts, which, of course, would produce a new and strong depreciation of that metal; but, if the silver interest is strong enough in the Senate to prevent this measure, the country at large will have to bear the consequences, and in every case it is perfectly illusory to hope that a new monetary conference will help the United States in dealing with the present crisis.

THE FINANCIAL CAUSES OF THE FRENCH REVOLUTION.

Historians and men of letters, in England as well as in France, have expended so much research and skill in elucidating every phase of the French Revolution, that the social and political fabric of the *Ancien Régime* may be said to have no more secrets to reveal. We have been satiated with descriptions of the luxurious customs and fascinating fashions of the French Court and its satellites, are familiar with the levity of the ruling classes, the scenes of the Reign of Terror, nay, even with the proverbial phrases and sayings of the prominent actors in the revolutionary drama, and, finally, we have learned to appreciate the achievements of the democratic leaders in the cause of liberty—that liberty, as Madame Roland said at the foot of the guillotine, in whose name so many crimes had been committed.

Still, there is the temptation to ignore, if not to forget, the fact that whilst the Revolution demolished the ancient constitution of France, and accomplished the entire transformation of her political administration and social organization, as it were, in a day, the sudden collapse of the monarchy and the political orgies of the democracy were the result of almost innumerable and most intricate causes, many of which dated from a remote past. Perhaps, foremost among the causes which determined the Revolution, as it necessitated the summoning of the States-General, was the financial condition of the country. We are indebted to M. Gomel for giving us in a recently published volume—the first of a comprehensive work—an exhaustive account of the taxation, the financial and fiscal administration of France in the eighteenth century, as well as for making a minute examination of the Ministry of Turgot, and the first Ministry of Necker. M. Gomel conducts us skillfully through the well-nigh impenetrable maze of the public finance of the country, and almost throughout he leads us to infer that nothing could have preserved the State from bankruptcy and the monarchy from destruction. It is only in the closing pages of the volume that M. Gomel propounds the view, that if Necker, whose first Ministry ended in 1781, had not succumbed to the jealousy of the Prime Minister Maurepas the monarchy might have been saved; and that had the King, even then, persevered with fiscal reforms, at any rate the history of the Revolution would not have been written in letters of blood. It is not my purpose, however, to attempt to show what history might have been. That would be altogether beyond the scope of an article which is merely intended to be a sketch of the financial condition of France at the time of the accession of Louis the Sixteenth, and the reader must be left to decide whether the financial crisis could have been surmounted in view of the multitude of other causes of acute discontent which were indissolubly connected with it.

During the whole of the eighteenth century, indeed, since the latter part of the seventeenth, France was in a state of imminent, when not in a state of actual insolvency. It is needless to dwell here on the many causes which tended to keep the royal treasury in a condition of chronic distress. Incessant, and, as a rule, useless or disastrous wars, the erection of costly palaces, the revocation of the Edict of Nantes, the prodigality of Louis the Fifteenth, his selfish disregard of the most elementary principles of economy, constituted a perpetual drain on the

resources of the country. The glamour which the commanding personality of Louis the Fourteenth shed on the throne; the success of his arms during the earlier part of his reign, which had raised France to the foremost place among European powers; the literary and artistic efflorescence which consecrated the pomp of Versailles, and the person of the King himself—all these influences combined to enhance the majesty of the crown and of its wearer. And though the reign of Louis the Fourteenth ended in domestic gloom, saw the overthrow of the French forces, and brought about the impoverishment of the country, yet the memory of the King's achievements was still far from being obliterated, and the greatness France had attained under autocratic rule served to blind the people to the evils of that rule itself. Whatever knowledge we may possess of French history, it is still somewhat difficult to appreciate to the full the unrestricted absolutism of the French monarchy in all that related to the finances. Of contemporary absolute monarchies Russia may be taken as a fair example. Yet, even in Russia there is some show of deference to public opinion. The Russian Finance Minister annually publishes a budget of the income and expenditures of the country; though how far his estimates represent the genuine revenue resources of the country; what limits are set to the private expenditure of the Czar; in short, to what extent his figures—which almost invariably show an even balance of income and expenditure—are trustworthy, may be difficult to decide. In France there was no such thing as a budget of any shape or kind, nor were there any limits set to the expenditure of the King. Profound secrecy was maintained as to the administration of the finances until the Ministry of Turgot, and, strange as it may appear, the nation was content that this should be the case. The people were aware, it is true, that that administration was a very tangled web, and the heavy taxes extorted from them could not fail to make them conscious that the treasury was not overflowing; but they allowed matters to abide under the belief that the King, in whom France was incarnate, was, of all Frenchmen, the one to whom a sound financial administration was most important. The King, for his part, was only too anxious to foster this delusion, which left his subjects in a state of blissful ignorance, so that he could tax them at his discretion, and apply the proceeds according to his own personal inclinations. From the secrecy thus maintained, the people fancied the King was as rich as he seemed from his profuse expenditure, they were less enraged than they otherwise might have been at his extravagance, and their displeasure vented itself chiefly on his ministers whenever taxation was increased. Murmurs, it is true, occasionally arose from them, especially in years when bread was exceptionally dear, and when they could not fail to note the contrast between the reckless profusion of the Court and of their absentee landlords, and their own abject want and misery. The sense of wrong rankled in their hearts, the cleavage between them and the governing classes became wider and deeper, but, as tradition and custom still made them inclined to believe that their hard lot was part of the proper order of nature, they bore their yoke sullenly, but with more patience than might have been expected.

In the first place, it must be borne in mind that, during the whole of the eighteenth century, even up to the day of the Revolution, the system of public finance in France was so crude, its fundamental rules so misunderstood and misapplied, that even human ingenuity of the highest class might well have been baffled in the attempt to reduce it to order. The rulers of France did not appear to understand that there is a limit to the extent of taxation even in the richest country, and that there must be a certain element of justice in its incidence, even under the

most autocratic rulers, if ultimate bankruptcy and ruin are to be avoided. It is true that her bad financial condition did not greatly injure the credit of France, and her pecuniary needs were supplied by loans from her own financiers. But however freely one can borrow, the time must come sooner or later when the debt has to be repaid, and the bridge by which difficulties are temporarily surmounted becomes so overweighted by its constantly increasing burdens that it must some day collapse into the chaos beneath. The misgovernment of Louis the Fifteenth paved the way for this catastrophe in the case of the edifice of French credit.

Whether he is regarded as a ruler or as a man, it would be hard to pass too severe a judgment on Louis the Fifteenth. If a slight extenuation of his shortcomings in either capacity can be found, it is by a generous consideration of the peculiar conditions of his regal position. He inherited the traditions of a monarchy in which his predecessor had been deified up to his last hour; circumstances conspired to imbue him not only with the conviction of his own infallibility, but that France, which he regarded as his personal property, was primarily intended by Providence to minister to his whims and pleasures. During the first thirty years of his reign he was apparently animated by the desire to emulate the example of his great predecessor, by seeking distinction in the field and earning the esteem of his subjects. Nor did he wholly fail in his attempt, as was proved by the title of *bien-aimé*, which a grateful people prematurely bestowed upon him. Like many a Roman emperor, however, he soon fell a prey to the inherent vices of his character, which his unquestioned authority and surroundings afforded him only too much scope for indulging. He was supported by a corrupt clergy and by a nobility equally corrupt; as, though the French nobles of the eighteenth century were, as a class, brave, dignified and cultivated, their ambition had been narrowed by the personal supremacy of Louis the Fourteenth, and had been debased by the evil days of the Regency. But still their territorial possessions and wealth, and the maintenance of their ancient privileges, enabled them to exercise a great influence over the King, from which he was too indolent and selfish to attempt to liberate himself. They were mutually dependent on each other, and any separation of their interests would have been fatal to both. As a rule the leading ambition of the French nobles during the eighteenth century was to dip their hands as deep as possible into the public purse, to obtain the means of gratifying that inordinate love of display and luxury which was the bane of their order.

Behind the nobles stood the *tiers état*, who may be divided into two classes. The first consisted of the wealthy *bourgeoisie*, always striving to gain entrance into a society to which they were admitted on sufferance, and by which they were treated with contemptuous familiarity. They fawned on those whom they looked upon as their social superiors, while they enviously resented that superiority. The second class was composed of men of letters, lawyers, and officials. This was the section of his subjects on whose education and enlightenment, on whose sympathy with the then budding new ideas, the King might have relied for advisors who would have been best fitted to assist him in reorganizing the administration of the country. But they hardly dreamed of sharing the honors of Versailles, and were either kept in subordinate positions or scornfully ignored. Under these circumstances their attitude to the Crown was naturally one of hostility, and they had neither the opportunity nor the inclination to suggest a policy that might have saved the country.

Though Louis the Fifteenth was not devoid of statesmanlike qualities,

and possessed some natural shrewdness and wit, to all intents and purposes he was a mere slave in the hands of his favorites. Another Louis the Fourteenth might have raised another Colbert or Louvois from the ranks of the bourgeoisie to reform the internal economy of France, and to lead its arms to victory, but Louis the Fifteenth only thought of advancing mediocrities who pandered to his vices. It must also be added that he inherited a colossal debt, which not even the ministers of the last years of Louis the Fourteenth had been able to diminish, and it would have demanded a self-abnegation entirely foreign to the nature of Louis the Fifteenth to have curtailed the splendor of the court, a splendor which was deemed the necessary accompaniment of the first throne in the civilized world. To ensure an effectual economy, Versailles must have been denuded of all its glories, peace been maintained at any price, the colonies well governed, and the whole system of financial administration and local government entirely reconstructed.

In the following pages it is proposed to attempt a very brief sketch of the local administration and the financial system of France at that time; and though it must necessarily be incomplete, still it may to some extent illustrate the difficulties which even a stronger king than Louis the Sixteenth would have found it an heroic task to overcome at the time he ascended the throne.

France, until the Revolution, was divided into provinces of two kinds, the *pays d'état*, which had provincial States, and the *pays d'élection*, which were not so provided. About one-quarter only of the provinces had States, which were situated at the furthest boundaries of the kingdom, and these were better governed than the electoral provinces, as they were supplied with comparatively free and efficient municipalities. The States were local assemblies consisting of the representatives of the three orders, the clergy, the nobility, and the *tiers état*, performing very similar functions to those of our own County Councils, but possessing the additional right of levying taxes and applying their proceeds within the limits of their province. Still, their power was limited. The members of the States were nominated by the Crown, and, as a rule, were induced either by bribery or intimidation to carry out the mandates of the ministers of the King. The money they raised, instead of being applied to purposes of public utility, was often squandered in gifts to influential personages or in useless festivities, and whenever the King was in pecuniary difficulties—occasions which were of but too frequent occurrence—the States were coaxed or coerced into voting a subsidy to him under the pompous and misleading appellation of a *don gratuit*. The electoral provinces, which had neither provincial assemblies nor municipalities, were autocratically governed in the King's name by his officials. But both the *pays d'état* and the *pays d'élection* not only differed from each other in their powers and financial administration, but in their constitution. Every province had its peculiar laws, customs, and feudal rights, and was fenced in by protection from its neighbors; while some had their own special standard of weights and measures, rendering uniformity of administration almost impossible. The numerous duties charged on raw materials or on manufactured goods on their passage from one province into another constituted a serious obstacle to trade and consequent loss to the country, a loss which was further aggravated by the exactions of a horde of greedy members of a tyrannical executive. The difficulties and disorder such a state of affairs occasioned at the treasury can be imagined.

But if the system of administration was complicated, the whole system of land tenure was more involved still. Real property consisted of nobiliary fiefs and *censives*, held by plebeians; the fiefs were exempt

from, the *censives* were subject to, the *taille*. In early days the greater part of France consisted of fiefs, which, in the course of time, had been dismembered, parceled out, and sold; but on the eve of the Revolution there were still thirty thousand of them. Though the fiefs had passed by sale into the hands of plebeians or of peasants, they were in some cases only held nominally as tenancies, and were liable to an infinite variety of feudal rights which were enforced by their paramount lords; whilst, in others, the owners entered into the full exercise of the feudal rights which were inherent in the soil. Some faint analogy may be said to exist between the English copyhold system and the service which had to be rendered under feudal customs. The copyhold system in England is, of course, either being rapidly commuted or is obsolete and the writer of this paper, for instance, is in possession of a meadow for which he has to do three days' work at haymaking time—a duty to which he has not yet been summoned, fortunately for the lord of the manor, the meadow, and himself. These duties in France were numerous and irksome. A peasant was compelled to use exclusively, and to pay for the use of, a certain mill, bakehouse, or wine-press; he was subjected to the *corvée*, or unpaid labor; he had to pay a tax on the sale of his crops as well as on manufactured goods; and on every recurrent sale on any portion of the land that had been acquired originally from the feudal lord. He was not allowed to sell the wine he had grown until the feudal lord had sold the produce of his own vineyards, and, even then—but this applied to all wine that was grown by nobles as well as peasants—duty had to be paid on its transit from one province to another, and it was, moreover, subject to certain feudal rights levied by persons in high station on its passage through their private domains. It frequently occurred that duty was levied on a barrel of wine twenty-seven times in being conveyed from the place it was grown to that in which it was sold, and it was said that it would have been cheaper to send wine from Pekin to France than from Pontoise to Paris. This particular impost was known as a *peage*. But there were *peages* of other kinds. A horse with four white legs had to pay for this natural endowment, and a tinker, whenever he passed the gates of a castle with his stove, had to pay some coppers, and, in the event of his being unable to do so, he was obliged to kneel on the hard ground and recite a *Pater* and *Ave*.

It would be superfluous to dwell on the vexations from which the agriculturists suffered; but it may be useful to remind the reader that these numerous and conflicting feudal rights and privileges constituted a serious obstacle to the transfer of land, affording an opportunity, which was eagerly seized in many cases, for litigation of a protracted and unscrupulous character. Still, it must be remembered that in those days the notion of caste was so firmly rooted in every portion of the community by tradition and custom, that the third estate looked upon the drawbacks of their condition very much as a matter of course. The privileges of the nobility were in their eyes justly earned because of their military services, and the clergy, because of their divine mission and the alms they dispensed—or were supposed to dispense—amongst the poor. Centuries of subjection and oppression had secured the people in the chains of a bondage and ignorance from which their rulers took good care not to release them. Until the end of the sixteenth century slavery may be said to have existed in France, as men and even women were bartered for money, and until the end of the seventeenth century the purchase of negroes for domestic service was openly countenanced. Until the Revolution the laborer was occasionally sold with the soil, and there was one hundred and fifty thousand serfs in France at the end of the eighteenth century.

But, on the whole, the exemption of the governing classes from certain taxes exasperated the lower orders less than the peculiar form of taxation and the irritating methods employed for its collection. The direct taxes were first of all the *taille*, which has already been mentioned. The *taille* was not levied in a uniform manner. In some provinces it was a poll tax, in others a land tax; in others again it was a combined poll and land tax. But, in all cases, both the clergy and nobility were exempt from it. Various offices besides entitled their holders to immunity from the *taille*, some because of the patent of nobility they brought to the plebeian purchaser, all Government offices being purchasable. The Crown, which lost no opportunity of increasing its income, went on steadily multiplying these appointments with the object of selling them, and before the Revolution broke out they numbered as many as four thousand. There were many minor offices also which enjoyed exemption from the *taille*, though they carried no patent of nobility with them. The consequence of this was that the tax was chiefly concentrated on the agricultural interest, the very one which it would have been advisable to develop. The *taille* levied on the agricultural interest was, comparatively speaking, unprofitable; in the first place because of the expenses of collection; and, in the second, as in most cases when a plebeian acquired a competence, he secured his exemption from this tax by purchasing an estate with feudal rights appertaining to it.

The population of France at that time has been variously computed, but at the accession of Louis the Sixteenth M. Gomet puts it down approximately at 25,300,000 persons. The odd 300,000 may be evenly distributed between the clergy and the nobility, who, as has been said, were exempt from the payment of the *taille*. The 25,000,000 were more or less liable to it—that is to say, the portion of them belonging to the rural classes. To realize fully the hardship caused by the incidence of this tax, we must take into account that about half of the whole soil of France belonged to the clergy and the nobility, and thus the wealthiest section of the landed community contributed nothing to the tax, which fell exclusively on the small and struggling proprietors amongst whom the other half of agricultural France was divided. But the mode in which the *taille* was levied still further illustrates its iniquity. The Controller-General of the finances, in the first instance, decreed that a certain aggregate sum was to be raised by it, and then the subordinate officials and the local landlords in each province and parish were left to decide amongst themselves how the prescribed amount was to be extracted from the taxpayers. The combined forces of jobbery and absolute authority rendered its incidence grossly unfair, the poorer localities generally paying the larger share, while the richer ones escaped lightly. Thus there was brought about a condition of things in which the most miserable section of the community were made to feel their inferiority in every relation of life, they were humbled in all their feelings, and they could not but loathe those whom birth or favoritism had placed above them. As late as 1779, the Abbé Very, one of the reporters of the Committee of Taxation, wrote that the collectors of the *taille* had no other rule to go upon for its assessment than their own personal opinion as to the relative resources of each taxpayer. The difficulty of effecting any reform in the system of taxation was made apparent in 1776, when it was proposed that the incumbents of some few offices, until then free from the *taille*, should be subjected to it. The Cour des Aides, a supreme court with power to deal with certain taxes and the administration of some feudal dues, at once addressed a remonstrance to the King on the ground that he was seeking to encroach

indirectly upon the inherent rights of the exempted classes. The members of the *Cour des Aides* were themselves in this category, and as it was their own privileges that were assailed, they were able to secure that the King's decree should be no more than so much waste paper. Turgot's short tenancy of power did not allow him time to deal with the *taille*, and Necker, when he assumed office, found that those who paid it still belonged to the poorest portion of the population. So the *taille* continued to be enforced under Louis the Sixteenth, and the taxpayer was defrauded of his means by unfair assessments, unless, in self-defense, he was able to defraud the State by an assumed impecuniosity.

[TO BE CONTINUED.]

ECONOMIC NOTES.

HOW SAVINGS BANKS ARE MANAGED.

Savings banks (certainly in the Eastern and Middle States) are purely benevolent in their character, having no capital and issuing no stock, and are managed by trustees, who give their time and judgment gratuitously to the work on behalf of the best interests of the people at large. In charge, therefore, of a great and beneficent trust, with all the moral responsibility which properly attaches itself to their work, when it is considered that the moneys deposited are the property and to a large extent constitute the hard-earned savings of the laboring classes, these trustees are bound to exercise at all times great caution. Their management must be thoroughly conservative in its character, and no personal motive should sway their judgment or control their action. What, then, are the issues which, under the existence of a premium on gold, they are called upon to meet? As a rule these banks are under close State supervision and governed by well-regulated general laws restricting investments to those which offer the greatest security to the depositor, in addition to which they are in possession of strong reserves in surplus earnings created through the operation of the laws which govern their management. In consequence of this there are no depositories in the country for the savings of the masses in which the risk of loss has been reduced to so low a minimum; but the class of people for whom the banks for savings are intended are often ignorant, easily alarmed, and when alarmed become panic-stricken, and there is danger that with a premium on gold there will come to the depositor a sense of loss upon his saving, and knowing neither the "why nor the wherefore" he will, in the excitement of the hour, seek to obtain possession of his deposits in the expectation that he can thus avert a loss, but which, once obtained, are generally unwisely expended or invested in doubtful securities; while if allowed to remain until the era of inflation is over and the premium on gold has disappeared, they can be returned to him in currency fully equal to if not superior to that in which the deposit was originally made. The known strength of the institutions themselves, coupled with a prompt strengthening of cash reserves, and every effort made to allay excitement, will in all probability prevent disastrous consequences; but the danger exists, and shows one phase of the tremendous shock to credit which the mad race for unrestricted coinage now in progress will produce, unless stopped in time.—*John Harsen Rhoades, in the North American Review.*

BANKING AND FINANCIAL ITEMS.

GENERAL.

BANKS WHICH ARE INCREASING THEIR CAPITAL:*

MASS....Fall River.....B. M. C. Durfee Safe Deposit & Trust Co., from \$200,000 to \$400,000.

N. Y....Buffalo.....Union Bank, from \$150,000 to \$200,000.

S. C....Camden.....Bank of Camden, to \$100,000.

• ..Charleston.....Bank of Charleston, N. B. A., from \$200,000 to \$300,000.

WIS....Rice Lake.....Bank of Rice Lake, from \$25,000 to \$50,000.

CITY DEPOSITS.—A hearing was recently had before the committee of banks and banking of the Massachusetts Legislature on a bill restricting the amount of deposits made in a bank by a city to 50 per cent. of the capital stock of the bank. Charles M. Williams, cashier of the old Lowell National Bank, appeared in favor of the bill. He said that he found in Boston the City Treasurer deposited the city money in the various city banks, but no amount greater than 50 per cent. of the capital was allowed to any bank. He found a similar state of affairs in some other cities, but in Lowell the money is given to the institution bidding the highest for it. At present the Lowell Trust Company, an institution with a capital of \$125,000, has the deposit, having paid $3\frac{1}{2}$ per cent. for it. The city deposits \$200,000 at times, and has gone as high as \$900,000 some years. When the amount exceeds \$300,000 the bank is obliged to furnish 75 per cent. collateral security. Without reflecting any on the management of this particular company it does not seem quite safe to allow the city of Lowell or any other place to deposit such large sums, and it would be wise for the Legislature to regulate it. A member of the committee inquired where the city would deposit its money if it were not allowed to put it all in one bank. Mr. Williams replied that there are nine places, the National banks and the Trust Company, where the money can be placed. The combined capital of them all is over \$2,425,000, and they are sure of absorbing more than the amount that the city may have at any time. "Why didn't the city put its money in other banks?" inquired another member. Mr. Williams replied that the Trust Company paid a higher rate of interest, which compelled it to loan money at higher rates, thus incurring a greater risk. President Ripley, of the Hide and Leather Bank of Boston, who is a taxpayer in Lowell, and Col. Daniel Needham, of Groton, an ex-bank examiner, spoke in favor of the bill. Chas. J. Holmes, of Fall River, said that he was not directly interested in the matter, but that the rate given by the Lowell Trust Company had attracted attention and comment throughout the State. In his city he said that it was not the custom to pay anything for the deposits of the city, except the sinking fund. It is not a wise thing to arouse feeling by placing the money in one bank, but to divide it. Major E. T. Rowell, of the Railroad National Bank of Lowell, corroborated what the others had said. No one appeared in opposition to the bill. After a brief discussion the committee decided to report the bill, but changed the limit that any bank may have of city deposits to 60 per cent. of its capital.

EASTERN STATES.

CONNECTICUT.—The committee on executive nomination recently reported favorably on the nomination of E. R. Doyle, of Hartford, to be bank commissioner to July 1, 1893, to fill the unexpired portion of the term of Stephen Goodrich, deceased, and the resolution of appointment was passed unanimously.

NEW HAVEN, CONN.—An important improvement is soon to be made to the Connecticut Savings Bank building at the corner of Church and Center streets, which will add much to the appearance of that part of the street. The banking rooms at present are very cramped, and when the vault was constructed twenty years ago it was thought to be large enough for all purposes, but is found now to be very inadequate. It is proposed to erect a three-story addition between the building of the Security Insurance Company and the bank. This would enable

them to extend their vault and also enlarge the counting and directors' rooms. The upper floors would be fitted up for offices with an elevator and other improvements.

MIDDLETOWN, CONN.—The capital, deposits and surplus of the combined banks in this city aggregate about \$11,000,000. Meriden with a greater population has a bank capital of less than one-half of this city. New Britain has less than one-third the amount which reposes in the bank assets in this city.

MIDDLETOWN, CONN.—The Middletown National Bank has been enlarging and in other ways improving its banking house. This is one of the oldest institutions of the kind in the State. The general assembly at New Haven granted a charter for the bank in 1795, but the bank was not organized until 1801. In that year a party of "gentlemen merchants and traders" met at Mr. Goodwin's tavern and organized the bank with a capital of \$100,000. The first president was Elijah Hubbard and the first cashier F. Southmayd. The office of the bank was opened in the building which is now the residence of Mrs. S. L. Warner. In 1813 the present site was purchased and a brick building erected, which stood until 1855. In that year the present building was erected and it was considered ample, but the growth of the business made necessary this addition, which has just been completed. The first dividend was paid in July, 1802, and since that time 186 dividends have been paid, aggregating over \$2,500,000.

PUTNAM, CONN.—Some time ago it was announced that in case permission was accorded by the Legislature, the Thompson Bank would move to Putnam. The removal to that place of this banking institution is most important in many ways, not only to men handling large sums of money, but to citizens in general. It marks the growth of the town and doubtless the bank from the sister town will be more welcome to the old First National than any entire stranger could be.

MAINE.—One of the most important bills passed by the last Legislature just adjourned, was an act relating to the reserve funds of trust and banking companies. This law is a substantial copy of the statute of the State of Massachusetts bearing on the same subject, and is as follows: "Trust and banking companies having authority to receive money on deposit shall at all times have on hand, as a reserve, in lawful money of the United States, an amount equal to at least 15 per cent. of the aggregate amount of all its deposits which are subject to withdrawal upon demand or within ten days; and whenever said reserve of such corporations shall be below said per cent. of such deposits, it shall not increase its liabilities by making any new loans until the required proportion between the aggregate amount of such deposits and its reserve fund shall be restored; provided, that in lieu of lawful money two-thirds of said 15 per cent. may consist of balances payable on demand, due from any National bank, and one-third of said 15 per cent. may consist of lawful money and bonds of the United States or of this State, the absolute property of such corporation. All provisions of charters in conflict with this act are void."

BATH, ME.—Before the Civil War all of the banks were chartered by the State and termed State banks. As they were not at all under the auspices of the National Government they were obliged to keep in their vaults a prescribed amount of coin, while the known financial standing of the stockholders and directors was a prime factor in securing the confidence of the community. There were three commissioners appointed by the State authorities whose duty it was to visit every bank at the commencement of every year and count the coin deposits. This author was knowing to the fact that these commissioners at one year, about in 1831, came to Bath, put up at Mrs. Maj. Joseph Trott's, who then kept a high-toned boarding-house in the building which is now the Commercial House, and where the best people visiting town were accustomed to find entertainment. The commissioners arrived in the evening and the next morning the president of one of the banks called on them and took them to his bank where they entered its vault, the bags of gold and silver delivered to them which they counted. That was enough work for one day as they were on a per diem salary. On the next day they were escorted into another of the banks where they counted the same bags of coin that they had counted the day before, possibly reduced or increased in amount to correspond to the capital which the bank represented. The coming day the same bags were counted for the third and last bank. During each night these bags had been conveyed from one bank to another. Thus the banks passed the ordeal and were

reported all right. And they were for the obvious reason that all that the community cared to know was the assurance that the stockholders were all right, and it can truthfully be recorded that those having the management of and owned these banks were individually of the high standing that they were considered fully responsible for every dollar represented by its bills. The Lincoln Bank, as the second oldest of the Bath banks and of reputed solidity, had a credit in the city of New York that gave its bills a circulation at par, a standing that few State banks enjoyed, and none other in Bath, during the State bank system of banking. For doing an exchange business the Lincoln Bank kept a deposit in New York City. At that period considerable amounts of bills and coins had to be transported from place to place in lieu of drafts or bills of exchange. The first bank established here was the original Bath Bank, chartered in 1810, William King being president, and Thos. D. Robinson, cashier. The latter became a defaulter, and when the fact was discovered he fled the town, was pursued, overtaken at Brunswick by John Smith and brought back. He owned considerable real estate in the city, and this he made over to the bank to cover the deficiency, thus ending the matter. At the close of the term of its charter the bank closed business, the date of which is not definitely known. Its banking home was where is now that of Sagadahock Bank; over the bank was the office of William King, he using it for a custom house when he was collector, from 1829 to 1834. Robinson had been the confidential man of Gen. King and in every respect his shadow. It was a marked trait in the character of Gen. King to stand by his friends even in their wrong, a trait Gen. Grant, exhibited in a conspicuous degree. The property which Robinson made over to secure the bank was in part what was afterwards known as King's dock, that led from the foot of Elm street, along Water to Centre street.—*Bath Independent*.

PORTLAND.—An association of the savings banks of Maine has been organized. Its object is to promote the welfare of savings banks. Fifty representatives of all the banks in the State were present. The following officers were chosen: President, E. A. Noyes, of Portland; vice-president, W. S. Badger, of Augusta; executive council, Weston Thompson, of Brunswick; A. G. Rogers, of Portland; James Adams, of Bangor; George S. Woodman, of Auburn; E. P. Burnham, of Saco, and the president and vice-president *ex officio*.

NEW BEDFORD, MASS.—The elegant new banking rooms of the Five Cents Savings Bank have been occupied, and Treasurer Pitman was the recipient of many congratulations upon the completion of the new quarters. The first deposit in the new building was made by Florence B. Shockley, aged two years.

SALEM, MASS.—The Salem Five Cents Savings Bank, which has transacted business since 1855, has adopted a new departure by opening its rooms for the convenience of depositors on Saturday evenings.

SALEM, MASS.—The half of the bank building on Central street, formerly owned and occupied by the First National Bank, has been sold. The building is worthy of more than passing notice from the fact that it was built in 1811 by the Essex Bank, the first bank established in Salem, which began business July 2, 1792, in the building on Central street, formerly Bank street, used for a series of years by the custom house, across the street to the building mentioned. This building was built in the style prevailing at that time and is to-day one of the landmarks of old Salem, a solid, substantial and picturesque building, even to the ornamental iron railing on the top. The original interior is well shown in the rooms of the Mercantile National Bank, who own and occupy the other half of the building, and have recently refurnished and decorated. The front room or banking room shows a stud of sixteen feet, with an ornamental cornice around the top. Back of this is a directors' room, and also a room for box holders and depositors. The half of the building sold is arranged much the same way, but the ceiling has been dropped, leaving a dead space of five feet between the floor above and the present ceiling. This was done years ago in order to make it easier to heat, and has never been restored to its original height, as in the other bank.

LOWELL, MASS.—The Wamesit National Bank occupied its new quarters recently. For over 40 years it has occupied the second floor of its building, corner of Middlesex and Thorndike streets, and now it will use the ground floor.

LOWELL, MASS.—Among the banking institutions of Lowell is the Railroad Nat.

Bank, which was incorporated in 1831. The names that appeared in the "act" were Ebenezer Appleton, Ebenezer Chadwick, William Lawrence, Kirk Boott, Lemuel Pope and John P. Robinson. Some of these men lived in Boston and were interested in manufacturing. Indeed, it was the object to establish the bank for the more special use of the corporations. In accordance with this plan, for nearly 40 years the mills did the greater part of their banking here, and drew money regularly for their monthly pay-roll. The first meeting of the directors was held in the office of the Hamilton Manufacturing Company. Kirk Boott occupied the chair, with Ebenezer Appleton as secretary. The presidents have been: Luther Lawrence, six years; Pelham W. Warren, sixteen years; S. W. Stickney, twenty-two years; Jacob Rogers, fifteen years; Edward T. Rowell, now in office. The first three died while in office, and Mr. Rogers resigned. The five cashiers have been: Pelham W. Warren, eight years; S. W. Stickney, fourteen years; John F. Rogers, seventeen years; James S. Hovey, fifteen years; Frank P. Haggett, now in office. The first two became president, and the third and fourth died while in service. The bank has been situated in various places. The first was in a new building owned by the Middlesex company at Central and Hurd streets, at an annual rent of \$75 and taxes. In 1836 the bank moved into a building owned by itself at Merrimack and John streets, where the Five Cent Savings Bank is now situated. In 1845 it removed to the savings bank building on Shattuck street, and thence to Carleton block, now known as Odd Fellows block, on Merrimack street. In 1873 it once more moved to the second floor of the building owned by the Mechanics' Savings Bank on the same street, and there it remained until its present quarters were ready. The original capital was \$200,000 which was increased at intervals of two years to \$400,000 and then \$600,000. In April of 1885 the capital was reduced to \$400,000, and an equal sum was paid back to the stockholders, besides a dividend of 15 per cent. accumulated surplus. The bank has never omitted to pay a semi-annual dividend.

MAY'S LANDING, N. J.—The First National Bank of Woodstown and the City National Bank of Salem have just ended a peculiar financial warfare that has been carried on for five years by the two institutions. The City National Bank of Salem commenced business in 1888, and, being unable to secure the terms they desired from the Woodstown bank, began to make their collections by sending their messenger once a week to the neighboring town, a distance of about ten miles. The Woodstown bank officers were not particularly pleased with this, and Cashier Flitcraft determined to bring the Salem people to terms. The method he pursued was to pay the messenger in silver every week. The messenger remonstrated, but to no avail, and on each trip was compelled to tug a heavy bag of silver to the train. With increasing business, the collections became larger, and the Salem messenger finally had to drive to Woodstown accompanied by an armed guard. On one of these trips the messenger received \$5,000 in standard silver, and, owing to the lack of counter room, the sum was delivered to him by dumping it loose on the floor. By the time he had counted and loaded this sum, night had come, and he had to return to Salem along the country roads after dark. When this fact became known it was feared the messenger would be attacked by highwaymen some day, and the Salem bank officers decided to make their Woodstown collections through the express companies. The payments continued to be made in silver, however, and the expressmen grew weary of handling the heavy bags of coin. The settlement of the war is directly due to the arrest of the two men who so boldly robbed the Allentown (N. J.) bank in broad daylight last winter. On one of them was found a memorandum reading: "Woodstown bank, November 30." It was thought that the highwaymen intended to rob the Woodstown bank if successful at Allentown, but, after they had been sentenced to ten years' imprisonment each, it was ascertained that the bank robbers meant to secure the money drawn by the express company for the City National Bank of Salem. Negotiations for a settlement were then made by the two banks, and now peace with honor has been declared.

NEW YORK CITY.—In order to accommodate its increasing business and to provide additional space for its safe deposit department, the National Park Bank has bought No. 159 Fulton street and No. 16 Ann street, adjoining the bank, for \$174,250. As soon as the lease of the Fulton street building expires, a fireproof office building, with entrances in Broadway as well as in Ann and Fulton streets, will probably be erected.

NEW YORK CITY.—Application has been made for a permit for the twelve-story building to be erected by Kuhn, Loeb & Co. at Nos. 27 and 29 Pine street, from plans by De Lemos & Cordes. The frontage is 50 feet, and the depth 74 feet. The construction will be fireproof throughout. The first three stories will be used for banking purposes, and the remainder will be divided into offices.

UTICA, N. Y.—It is understood that a new building will be built by the Second National Bank on Genesee street the coming summer. The building will be located upon the site of the Oneida County Bank, which will soon enter its new quarters on the opposite side of the street; the Second National Bank will have a frontage of forty feet. It is understood the building will be a very handsome and elaborate one, and will certainly be a credit to the city. It is presumed the directors will decide upon plans now under consideration at an early date.

UTICA, N. Y.—The block at No. 70 Genesee street that has been fitted up for the occupancy of the Oneida County Bank presents a very fine appearance now that the new front is completed. The interior of the building is very handsomely furnished, and with the new fire and burglar-proof vaults, new desks and excellent appointments it will prove to be as convenient and pleasant a banking house as the city contains. The books and papers were transferred to the elegant new building after banking hours, and the new building was opened to the public.

UTICA, N. Y.—Among the recent deaths deserving special notice is that of Col. Chauncey Sage Butler, of Utica. Col. Butler was born in the town of Paris, Oneida County, December 27, 1802. His father was John Butler, the son of a cavalry captain in the Revolution. His mother's maiden name was Hannah Todd who removed to this county from Connecticut in 1789. Chauncey was given a district school education, after which he studied civil engineering and surveying, and in which profession he became very proficient. Becoming of age he purchased a farm adjoining his father's, and in 1843 removed to Sauquoit and built the house in which he has since lived. For several years he traveled in Michigan and other States buying grain for the Eastern markets, and in 1853 Mr. Butler, Charles H. Doolittle and others organized the Oneida County Bank, of which he has been vice-president since 1855. His death removes the last of the original stockholders and directors. He was a man of great financial foresight and ability, and his advice was often sought by other business men.

BUFFALO.—The Hydraulic Bank of Buffalo has opened its doors for business. It was organized several months ago with W. W. Sloan as president, B. F. Gentsch, vice-president; J. B. Spencer, cashier, and William Richards, teller. The bank will open in its own quarters in the corner of the Langner Building at No. 775 Seneca street, at the corner of Hydraulic street. The vaults and safes, which are of the latest pattern, were built by the Cary Safe Company, and the entire interior finish, which is in old oak, was made by the Buffalo School furniture Company. The arrangement and furnishings make it one of the prettiest banks in the city.

SCRANTON, PA.—The First National Bank is now being handsomely refitted and enlarged. Their increased business has made it necessary to do so.

JOHNSTOWN, PA.—The Johnstown Bank charter is to be renewed for a period of twenty years. It was so decided at a meeting of stockholders recently.

NEWPORT, R. I.—Twenty shares of the stock of the First National Bank were sold at auction recently at \$179 and \$177. Lately five shares, belonging to the same block, were sold at \$197, and the remainder were withdrawn, the sale being adjourned. Although private sales of this stock have recently and repeatedly been made above \$200, it is thought that the marked falling off in price is due simply to the fact that the sale was forced and the shares offered in larger blocks than purchasers desired. The standing of the bank, which is one of the strongest institutions of its kind in the city, is in no wise affected.—*Providence Journal*.

WESTERN STATES.

MANTENO, ILL.—The Citizens' State Bank of Manteno, capital \$25,000, is the latest acquisition to the list of improvements for this place. The bank was lately incorporated and will be in operation as soon as all necessary arrangements can be made.

INDIANAPOLIS, IND.—The Capital National Bank has opened for business in its new quarters. It is claimed that its appointments will rank with any bank in the country. A new Mosler safe, weighing eight and a quarter tons, has been put in. The safe is of the triple tongue pattern, and locks and unlocks automatically. The fixtures and furniture of the bank are rich, the clerks have roomy apartments and the quarters are well lighted.

GREENCASTLE, IND.—Parties at Greencastle, interested in establishing a new National bank, have purchased a controlling interest in the Central National, and will abandon the original idea. Robert L. O'Hair will succeed James V. Durham as president.

DES MOINES, IOWA.—The interior of the Citizens' National Bank is soon to be remodeled and enlarged. New bank furniture will be put in, and when the improvements are completed it will be one of the finest banking rooms in the city.

DES MOINES, IOWA.—The Bankers' Iowa State Bank has been organized under the banking laws of the State and will transact a general banking business. The stockholders are banks, bankers, capitalists, and business men, and the bank will be managed conservatively and upon the same principle of other banks in Des Moines. All of the officers and directors are self-made men, and their estimated wealth is \$3,000,000, as made by one of the best informed men at the organization. The officers say the bank will not cut the rates and will pay interest on deposits. The main object is to induce the banks throughout the State to transact their business through Des Moines and not with banks at Sioux City, Dubuque and other cities. It will try to induce capitalists to come here, and is, withal, for mutual co-operation. The policy of the bank is to allow no one man to hold more than \$10,000 worth of stock. The bank will have its office in the new Equitable block. A handsome office on the ground floor in the southeast corner of the building will be fitted up and the doors will swing open for business on June 1. The stock books will be open at par until June 1 and applications will be accepted in the order of their receipt. The bank opens with every prospect of success. The officers and directors are staunch bankers and financiers who are well known. The cashier, Mr. V. F. Newell, has been in the banking business in Des Moines for eighteen years, first with the Valley National and recently with the Des Moines National, and is well versed in banking and is popular with the business men and capitalists of the city and State.—*Des Moines Register*.

MINNEAPOLIS, MINN.—Banking has been so successful in Minneapolis that it has always been a tempting field for capital, but there is a feeling now that it would be better not to add to the banking capital for a time. It is probably true that several more banks could be operated here with profit, but it would be at the expense of older institutions. The city is well supplied with banks, present and prospective, and many think that it would now be better for all concerned to let those in the field develop into strong institutions before others begin competition. The public is not affected materially by the number of banks, so long as there are sufficient to care for needs, but the banks are affected. Business is increasing, of course, but some of the bankers think this should be diverted to the banks now organized, rather than to new ones. The East Side has two banks, or will have soon; the North Side has two banks; the South Side has one bank, and the others are in the West Side center. This makes a very good distribution, and the bankers themselves believe that they are all that is necessary. There are at least two more banks to open on the West Side within a few months.—*Minneapolis Journal*.

LINCOLN, NEB.—The evidence given before the Nebraska Legislative Committee, relative to the failure of the Capital National Bank of Lincoln, showed that at no time within a year could the bank have paid the State the \$265,000 it had on deposit. At the time of the failure there were due depositors \$700,000, and the bank's cash on hand was \$13,000, with no other funds available.

GREELEY, NEB.—H. S. Young, cashier of the Citizens' State Bank of Greeley, was given a banquet by the Knights of Pythias Lodge on the occasion of his departure for a new field of labor.

CANTON, OHIO.—The Canton banks have the building fever. The City National is the latest to declare its intention to erect a handsome structure.

SOUTHERN STATES.

JACKSONVILLE, FLA.—The Southern Savings and Trust Company have had placed in their vault a burglar-proof bankers' chest of the very latest patent. It contains two burglar-proof chests, having time locks, and the new traverse hinge with eccentric lever of the latest Hall patent. This is the most complete, safest and strongest chest in the State of Florida. This beautiful piece of work has been under construction ever since November last, when the order was given for its manufacture. The bank also has recently had a number of safe deposit boxes placed in its vault. This vault was also constructed by the same company which made the burglar-proof chest—the Herring-Hall-Marvin Company—and it is guaranteed to be absolutely burglar-proof. The public is cordially invited to call and inspect a really fine piece of workmanship.

ATLANTA, GA.—The Southern Banking and Trust Company, though one of the youngest of Atlanta's financial institutions, has taken a prominent position in one of the most important branches of a bank's business—that of acting as trustee, holding the bonds of corporations. The bank does as much of this kind of business as any other institution in the South. The announcement has just been made that the bank has just been made trustee for the \$60,000 of \$1,000 thirty-year bonds issued by the Metropolitan Street Railway Company, of Macon. The selection of this Atlanta bank by the Macon corporation is of itself a tribute to the standing of the bank and its prominence in this particular field.—*Atlanta Constitution*.

SAVANNAH, GA.—The bankers are getting ready for a large convention of State bank officers in Savannah in June. Mr. Mills B. Lane is president of the association. It will be an interesting gathering.

DANVILLE, KY.—A NOVEL SAVINGS BANK.—“I expect some day to see a bank started in Danville that will be operated pretty much upon the same plan that the building associations are,” said a gentleman recently, during a conversation on building associations. “I have suggested such a scheme,” he continued, “to business men in other towns, and it seems to have met with a hearty approval. The stockholders in the bank, instead of paying \$100 down for the stock, as only the wealthy can do, would pay their subscriptions in installments just as the stockholders in the building associations do. The organization, or institution, or whatever you might call it, would lend money and do a general banking business, and when the accumulated profits and dues paid in were sufficient to mature the stock, the holders would be given the privilege of withdrawing it or leaving it and be paid their share of the annual earnings. The money would be loaned at 6 per cent., a much cheaper rate than it can be borrowed for, as a rule, and the poor man could carry a loan at reasonable cost. It would, in fact, be operated just as the local association is, except that small and short loans would be encouraged more than they are now, and some inducement would be offered for time deposits.”

SANDY SPRING, MD.—“The Silver Wedding” report of the Sandy Spring Savings Institution by Mr. Jos. T. Moore, treasurer, states that of the twenty-six original charter members upon its organization twenty-five years ago eleven have since died, four have withdrawn, while eleven still remain. Over one million dollars have been deposited by its patrons. It has now a 10 per cent. surplus and enough above to render a 2 per cent. dividend as a celebration premium.

WESTMINSTER, MD.—The venerable Francis Shriver, of this city, has presented the Union National Bank, of Westminster, a fine large crayon portrait of his father, the late Isaac Shriver, who was one of the directors of the institution from its organization in 1816 until his death in 1856, and for nearly 30 years of that time its president. The portrait has been hung on the walls of the banking house.

WILMINGTON, N. C.—At a meeting of the directors of the Charleston Savings Bank, held recently, the twelfth annual report was submitted and showed a gratifying prosperity in the condition of the bank. This is an old institution, and the *News and Courier* says it pays a regular annual dividend of 20 per cent. This is a remarkable exhibit, and it may be doubted if any similar bank in the United States can equal it. In this connection it may be said that this city has one savings bank, the Wilmington Savings and Trust Company, which though young, is now in a prosperous condition, while the Citizens' Savings Bank, with Mr. J. W. Nor-

wood as the leading spirit, will soon be ready to begin business, as subscriptions to its capital stock are being received now.—*Wilmington Star*.

CAMDEN, S. C.—The Bank of Camden has moved into its remodeled office. The building is almost complete and the handsome bank counters and partitions will soon be built. These partitions and counters will be of oiled pine and ground glass, in which curled pine will figure to a great extent.

MARTINSBURG, W. VA.—Hon. C. A. Never, just appointed Bank Examiner by Governor MacCorkle is an ex-member of the Legislature, and has been a director in the National Bank here for a number of years.

PACIFIC STATES.

SAN FRANCISCO.—The San Francisco Savings Union Building will be six stories high instead of four, as at first intended. The first story will be of granite, and the upper five of yellow brick.

Sterling exchange has ranged during April at from 4.87 $\frac{3}{4}$ @ 4.89 $\frac{1}{4}$ for bankers' sight, and 4.85 $\frac{3}{4}$ @ 4.88 for 60 days. Paris—Francs, 5.15 $\frac{3}{4}$ @ 5.13 $\frac{1}{4}$ for sight, and 5.18 $\frac{3}{4}$ @ 5.15 $\frac{3}{4}$ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85 $\frac{3}{4}$ @ 4.86; bankers' sterling, sight, 4.88 @ 4.88 $\frac{1}{4}$; cable transfers, 4.88 $\frac{1}{4}$ @ 4.88 $\frac{3}{4}$. Paris—Bankers', 60 days, 5.17 $\frac{1}{2}$ @ 5.16 $\frac{3}{4}$; sight, 5.15 @ 5.14 $\frac{3}{4}$. Antwerp—Commercial, 60 days, 5.19 $\frac{3}{4}$ @ 5.18 $\frac{3}{4}$. Reichmarks (4)—bankers', 60 days, 95 $\frac{1}{4}$ @ 95 $\frac{1}{2}$; sight, 95 $\frac{1}{2}$ @ 95 $\frac{3}{4}$. Guilders—bankers', 60 days, 40 $\frac{1}{2}$ @ 40 3-16; sight, 40 5-16 @ 40 $\frac{3}{8}$.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	April 3.	April 10.	April 17.	April 24.
Discounts.....	6 @ 9 ..	6 $\frac{1}{2}$ @ 8 ..	6 $\frac{1}{2}$ @ 8 ..	6 $\frac{1}{2}$ @ 8 ..
Call Loans.....	7 @ 4 ..	6 @ 3 ..	5 @ 4 ..	12 @ 4 ..
Treas. balances, coin.....	\$71,921,413 ..	\$67,624,175 ..	\$68,720,632 ..	\$60,708,257 ..
Do. do currency....	19,853,252 ..	21,050,723 ..	17,641,386 ..	18,627,215 ..

The reports of the New York Clearing-house returns compare as follows:

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
April 8..	\$434,304,800 ..	\$71,546,500 ..	\$47,341,100 ..	\$438,608,600 ..	\$5,651,300 ..	\$9,312,950 ..
" 15..	431,453,800 ..	71,480,000 ..	49,474,500 ..	439,527,800 ..	5,606,500 ..	11,072,550 ..
" 22..	428,998,900 ..	72,254,100 ..	51,727,700 ..	440,794,400 ..	5,659,200 ..	14,783,200 ..
" 29..	425,990,800 ..	70,702,400 ..	49,509,900 ..	432,224,600 ..	5,626,700 ..	12,156,150 ..

The Boston bank statement is as follows:

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
April 1.....	\$154,452,500 ..	\$10,546,600 ..	\$4,014,400 ..	\$136,444,000 ..	\$5,893,400 ..
" 8.....	156,344,300 ..	10,444,000 ..	3,947,200 ..	140,518,500 ..	5,810,500 ..
" 15.....	156,021,400 ..	10,330,200 ..	4,007,000 ..	141,542,200 ..	5,867,100 ..
" 22.....	156,239,000 ..	10,472,000 ..	4,095,000 ..	137,684,000 ..	5,985,000 ..
" 29.....	153,395,200 ..	8,562,800 ..	5,629,800 ..	132,816,100 ..	6,098,800 ..

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1893.	Loans.	Reserves.	Deposits.	Circulation.
April 1	\$102,304,000 ..	\$27,753,000 ..	\$102,144,000 ..	\$3,601,000 ..
" 8	103,136,000 ..	28,383,000 ..	103,551,000 ..	3,600,000 ..
" 15	102,591,000 ..	30,416,000 ..	105,907,000 ..	3,596,000 ..
" 22	102,361,000 ..	29,840,000 ..	104,131,000 ..	3,600,000 ..
" 29	102,231,000 ..	30,084,000 ..	104,561,000 ..	3,583,000 ..

DEATHS.

HILL.—On April 9, aged seventy years, WILLIAM D. HILL, Cashier of Bath National Bank, Bath, Me.

ICKELHEIMER.—On April 27, aged fifty-seven years, ISAAC ICKELHEIMER, of the firm Heidelberg, Ickelheimer & Co., New York City.

LEWIS.—On April 6, aged fifty-nine years, WESTON LEWIS, President of Manufacturers' National Bank, Boston, Mass.

CHANGES OF PRESIDENT AND CASHIER

(Monthly List, continued from April No., page 789.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY. National Park Bank.....	Stuyvesant Fish, <i>V. P.</i>	Arthur Leary.*
	Edward E. Poor, <i>V. P.</i>	
" ..Third National Bank.....	A. B. Hepburn, <i>P.</i>	J. B. Woodward.
	John B. Woodward, <i>V. P.</i>	
ALA....First National Bank, Montgomery.	H. C. Tompkins, <i>P.</i>	J. W. Dimmick.
	John C. O'Connell, <i>V. P.</i>	G. W. Craik.
ARIZ....International Bank, Nogales...	F. Herrera, <i>Cas.</i>	W. K. James.
" ..Nat. Bank of Arizona, Phoenix.	R. Allyn Lewis, <i>Asst.</i>	
CAL....First National Bank, Fresno.	E. Kennedy, <i>V. P.</i>	W. H. Chance.
	E. A. Walroud, <i>Cas.</i>	E. F. Oatman.
" ..Los Angeles National Bank, Los Angeles.	W. G. Cochran, <i>V. P.</i>	John Bryson, Sr.
" ..Southern California Nat. B'k, Los Angeles.	W. H. Holliday, <i>Asst.</i>	
" ..First National Bank, Modesto...	G. R. Stoddard, <i>Asst.</i>	
" ..California State Bank, Monterey.	H. Prins, <i>P.</i>	J. B. S. Maltby.
	W. W. James, <i>Cas.</i>	E. M. Carver.
" ..Needles National Bank, Needles.	F. L. Morgan, <i>V. P.</i>	
	W. S. Greenlee, <i>Asst.</i>	
" ..First Nat. B'k, San Bernardino.	E. D. Elliott, <i>Asst.</i>	
" ..Consolidated National Bank, San Diego.	O. S. Witherby, <i>V. P.</i>	E. W. Morse.
" ..First Nat. Bank, San Diego....	G. A. Garretson, <i>V. P.</i>	Geo. Hannahs.
" ..Merchants National Bank, San Diego.	Ralph Granger, <i>V. P.</i>	
	Frank E. Hilton, <i>Cas.</i>	
COL....First National Bank, Aspen....	H. P. Cowenhoven, <i>V. P.</i>	David R. C. Brown.
" ..Commercial Nat. B'k, Denver...	Edward F. Bishop, <i>V. P.</i>	Chas. D. Cobb.
" ..First Nat. B'k, Idaho Springs...	Silas Hanchett, <i>V. P.</i>	Thos. Cooper.
" ..Commercial Bank, Idalia.....	M. K. Scott, <i>P.</i>	J. R. Scott.
" ..First Nat. B'k, Longmont.....	Thomas Butler, <i>V. P.</i>	Daniel Ransom.
" ..First National Bank, Rico.	G. B. Garrison, <i>P.</i>	J. W. Gillerly.
	E. C. Chesebro, <i>Cas.</i>	G. B. Garrison.
" ..First National Bank, Salida.	E. B. Jones, <i>P.</i>	J. B. Bowne.
	D. S. Cotton, <i>Cas.</i>	F. O. Stead.
" ..American Savings Bank, Trinidad.	Ralph Cullinan, <i>Cas.</i>	Wm. H. Robinson.
CONN...Fairfield Co. National Bank, Norwalk.	Edwin O. Keeler, <i>P.</i>	Jas. H. Hyatt.*
	David H. Miller, <i>V. P.</i>	Edwin O. Keeler.
" ..First Nat. Bank, Wallingford...	Leverett M. Hubbard, <i>V. P.</i>	A. D. Judd.
DAK. N. First National Bank, Casselton.	Wm. Strehlow, <i>V. P.</i>	M. A. Baldwin.
" ..Hillsboro National Bank, Hillsboro.	M. A. Baldwin, <i>Cas.</i>	J. L. Gunkel.
	Daniel Patterson, <i>V. P.</i>	J. F. Shelby.
" ..State Bank of Sheldon.....	J. E. Lasham, <i>Asst.</i>	
	Ed. Pierce, <i>P.</i>	G. O. Brohough.
" ..First Bank of Townner.....	Jas. K. Banks, <i>V. P.</i>	Ed. Pierce.
	P. B. Salyards, <i>Cas.</i>	J. G. Davis.
DAK. S. Merchants Bank, Bryant.....	E. A. Syverson, <i>Cas.</i>	C. C. Bratrud.
" ..First National Bank, Canton.	Chas. E. Judd, <i>P.</i>	Geo. M. Blake.
	H. Anderson, <i>Cas.</i>	Chas. E. Judd.
" ..First National Bank, Dell Rapids.	F. P. Herman, <i>Asst.</i>	H. Anderson.
	J. A. Cooley, <i>P.</i>	D. N. Cooley.
" ..First National Bank, Mitchell.	H. W. Cooley, <i>V. P.</i>	J. A. Cooley.
	Thos. C. Lawler, <i>V. P.</i>	A. M. Bowdle.
" ..First Nat. B'k, Rapid City....	F. E. Moses, <i>Asst.</i>	
	John R. Brennan, <i>V. P.</i>	Wm. Hecht.
FLA....Merchants National Bank, Ocala.	R. B. McConnell, <i>P.</i>	John F. Dunn.
	H. C. Wright, <i>Cas.</i>	R. B. McConnell.
	W. A. Redding, <i>Asst.</i>	
GA....Merchants & Farmers Bank, Quitman.	J. G. McCall, <i>V. P.</i>	K. H. Williams.
	Jeff. Davis, <i>Cas.</i>	Jesse C. McDonald.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
IDAHO	First National Bank, Kendrick..	M. T. Feron, <i>Asst.</i>.....	.....
"	Lewiston Nat. B'k, Lewiston....	Geo. H. Kester, <i>Asst.</i>	W. M. Brown.
"	Farmers National Bank, Moscow. }	L. Stannus, <i>P.</i>	E. R. Headley.
"	.....	L. F. Williams, <i>Cas.</i>	L. Stannus.
"	First National Bank, Moscow....	W. L. Payne, <i>Asst.</i>	L. F. Williams.
ILL.	First Nat. Bank, Abingdon.....	Thos. Newell, <i>P.</i>	M. C. Kimball.
"	Canton Nat. Bank, Canton.....	B. F. Eyerly, <i>P.</i>	David Beeson.
"	Fort Dearborn Nat. Bank, Chicago. }	J. H. Witbeck, <i>V. P.</i>	W. L. Barnum.
"	Metropolitan National Bank, Chicago. }	Wm. Deering, <i>V. P.</i>	J. L. Woodward.
"	Union Nat. Bank, Chicago.....	E. J. H. McGuire, <i>2d Asst.</i>.....	.....
"	First National Bank, Elgin. }	Geo. P. Lord, <i>P.</i>.....	.....
"	.....	David S. Barclay, <i>V. P.</i>.....	.....
"	First Nat. B'k, Englewood.....	J. J. Nichols, <i>V. P.</i>	E. L. Roberts.
"	Galesburg Nat. B'k, Galesburg....	Wm. Robson, <i>V. P.</i>	H. M. Sisson.
"	Hillsboro Nat. B'k, Hillsboro....	E. J. Miller, <i>Asst.</i>	H. H. Keithley.
"	La Salle Nat. B'k, La Salle.....	W. L. Parks, <i>Asst.</i>	F. B. Blish.
"	Nokomis Nat. B'k, Nokomis.....	Geo. Sippell, <i>P.</i>	H. F. Rood.*
"	First National Bank, Pana.....	W. J. Jordan, <i>V. P.</i>	Henry Funk.
"	Commercial Nat. B'k, Peoria....	J. L. Flinn, <i>2d V. P.</i>.....	.....
"	German-American Nat. B'k, Peoria. }	Samuel Woolner, <i>V. P.</i>	S. D. Puterbaugh.*
"	.....	Peter Anicker, <i>Asst.</i>	F. Trefzger.
"	Ricker Nat. B'k, Quincy.....	B. Awerkamp, <i>Asst.</i>	H. F. J. Ricker, Jr.
"	Exchange Bank, Raritan.....	J. E. Amerman, <i>Cas.</i>	J. E. Spiker.
IND.	Boonville Nat. B'k, Boonville....	J. P. Weyerbacker, <i>Cas.</i>	E. W. Bethell.*
"	First Nat. B'k, Cambridge City....	Chas. F. Jackson, <i>V. P.</i>	M. Thornburgh.
"	Decatur Nat. B'k, Decatur.....	J. S. Peterson, <i>Asst.</i>.....	.....
"	Central National Bank, Greencastle. }	R. L. O'Hair, <i>P.</i>	J. V. Durham.
"	.....	M. D. Bridges, <i>Cas.</i>	R. L. O'Hair.
"	.....	J. L. Randel, <i>Asst.</i>.....	.....
"	First National Bank, Marion....	C. E. Vanvachtor, <i>Asst.</i>.....	.....
"	First Nat. B'k, Noblesville.....	Geo. M. Snyder, <i>V. P.</i>.....	.....
"	First National Bank, North Manchester. }	Wm. Arnold, <i>Asst.</i>.....	.....
"	Union National Bank, Richmond. }	Geo. L. Cates, <i>Cas.</i>	J. K. Jones.
"	.....	E. H. Cates, <i>Asst.</i>	Geo. L. Cates.
"	First Nat. B'k, Vincennes.....	P. M. O'Donnell, <i>Asst.</i>.....	.....
IOWA.	Union National Bank, Ames.....	L. Stevens, <i>V. P.</i>	Geo. G. Tilden.*
"	First National Bank, Carroll....	F. W. Krause, <i>Asst.</i>	L. G. Bangs.
"	Clarinda Nat. B'k, Clarinda....	Frederick Fisher, <i>V. P.</i>	A. Nieustedt.
"	First National Bank, Clarion....	J. M. Overbaugh, <i>Asst.</i>	E. R. Lockwood.
"	Merchants National Bank, Clinton. }	L. Lamb, <i>P.</i>.....	.....
"	.....	S. Shoecraft, <i>V. P.</i>	L. Lamb.
"	Creston Nat. B'k, Creston.....	Ed. A. Aldrich, <i>V. P.</i>	Geo. W. Stone.
"	Des Moines National Bank, Des Moines. }	Chas. H. Getchell, <i>2d V. P.</i>.....	.....
"	.....	G. M. Reynolds, <i>Cas.</i>	V. F. Newell.
"	Valley Nat. B'k, Des Moines....	W. W. Lyons, <i>V. P.</i>	Wm. D. Lucas.*
"	First Nat. B'k, De Witt.....	W. H. Talbot, <i>V. P.</i>	A. J. Clark.
"	German State B'k, Dyersville....	J. G. Bailey, <i>P.</i>	B. Holscher.*
"	Warren Co. Bank, Indianola. }	Wm. Buxton, <i>P.</i>	John Cheshire.
"	.....	Wm. Watts, <i>V. P.</i>.....	.....
"	.....	Wm. Buxton, Jr., <i>Cas.</i>	F. H. Cheshire.
"	First National Bank, Le Mars....	E. A. Dalton, <i>Asst.</i>	W. F. Cooper.
"	First Nat. B'k, Manchester.....	A. H. Blake, <i>V. P.</i>	M. Beehler.
"	First National Bank, Marion. }	A. J. McKean, <i>V. P.</i>	J. S. Alexander.*
"	.....	J. S. Alexander, <i>Cas.</i>	Sam'l N. Goodhue.
"	Marion Savings Bank, Marion. }	C. H. Kurtz, <i>V. P.</i>	I. S. Alexander.
"	.....	J. S. Alexander, <i>Cas.</i>	Sam'l N. Goodhue.
"	German-American B'k, Minden....	James Hunter, <i>Cas.</i>	Frank E. Hannan.
"	First Nat. B'k, Missouri Valley....	Robt. McGavren, <i>V. P.</i>	E. W. Hibbard.
"	Bank of Rolfe, Rolfe. }	J. P. Farmer, <i>P.</i>	John Lee.
"	.....	J. W. Warren, <i>Cas.</i>	S. S. Reed.
"	Shenandoah National Bank, Shenandoah. }	Dell Van Buskirk, <i>Asst.</i>.....	.....
"	Iowa State National Bank, Sioux City. }	Geo. P. Haley, <i>Asst.</i>.....	.....

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
IOWA...	Dickinson Co. Bank, Spirit Lake.	A. M. Johnson, <i>P.</i>	W. P. Odell.
KAN....	Abilene National Bank, Abilene.	A. H. Osborne, <i>Cas.</i>	Geo. E. Pearsall.
	.. Farmers & Stockgrowers B'k, Ashland.	C. A. Hodges, <i>V. P.</i>	
	.. Exchange Nat. B'k, Atchison.	F. L. Fritz, <i>Asst.</i>	
	.. First Nat. B'k, Burlingame.	A. M. Van Laningham, <i>Cas.</i>	Wm. C. Dugan.
	.. Peoples National Bank, Burlington.	W. F. Brown, <i>Asst.</i>	Frank Brown.
	.. First Nat. Bank, Chanute.	C. E. Filley, <i>V. P.</i>	L. P. Davis.
	.. First National Bank, Fredonia.	M. A. Crouse, <i>P.</i>	Warren Crandall.
	.. Wyandotte National Bank, Kansas City.	Thos. W. Foster, <i>V. P.</i>	M. A. Crouse.
	.. First National Bank, Lyons.	A. P. Brigham, <i>Cas.</i>	Thos. W. Foster.
	.. First National Bank, Mankato.	F. W. Jefferies, <i>V. P.</i>	
	.. First National Bank, Medicine Lodge.	Chas. L. Morton, <i>P.</i>	M. Abernathy.
	.. Netawaka State Bank, Netawaka.	C. S. Brigham, <i>Cas.</i>	Chas. L. Morton.
	.. First National Bank, Newton.	C. L. Brokaw, <i>Asst.</i>	
	.. National Bank of Paola.	C. H. Blair, <i>Asst.</i>	
	.. Manufacturers Nat. Bank, Pittsburg.	J. D. Hill, <i>V. P.</i>	Virgil W. Keene.
	.. First Nat. Bank, Scandia.	J. D. Lynn, <i>Asst.</i>	Geo. W. Lieber.
	.. First National Bank, Seneca.	J. S. Runyan, <i>Asst.</i>	
	.. Kansas Nat. B'k, Wichita.	A. Amon, <i>P.</i>	A. P. Rider.
	.. Clay City National Bank, Clay City.	C. W. Goss, <i>V. P.</i>	F. S. Steinkirchner.
	.. First Nat. B'k, Harrodsburg.	T. H. Kaestner, <i>Asst.</i>	C. W. Goss.
	.. City Bank, Hopkinsville.	Geo. Kingsley, <i>V. P.</i>	
	.. Citizens Nat. B'k, Lebanon.	A. E. Nau, <i>V. P.</i>	
	.. First National Bank, London.	C. P. Carstensen, <i>V. P.</i>	J. W. Peterson.
	.. Kentucky Trust Co., Louisville.	Wm. W. Wood, <i>Cas.</i>	W. H. Janey.
	.. Mitchell Finch & Co.'s Bank, Maysville.	Robt. E. Nelson, <i>V. P.</i>	Leopold Cohen.
	.. State Nat. Bank, Maysville.	P. D. Greggers, <i>Asst.</i>	Geo. S. Lewis.
	.. Farmers Nat. B'k, Owenton.	Chas. Scott, <i>V. P.</i>	
LA.....	Exchange Bank, Nachitoches.	J. F. Cox, <i>Cas.</i>	Frank B. Russell.
	.. Commercial National Bank, Shreveport.	T. H. Hardin, <i>Asst.</i>	
ME.....	Bath National Bank, Bath.	E. B. Long, <i>V. P.</i>	
	.. Lincoln National Bank, Bath.	W. T. Tandy, <i>Cas.</i>	E. B. Long.
MD.....	Third National Bank, Baltimore.	R. Y. McElroy, <i>V. P.</i>	Samuel Avritt.
	.. Dorchester Nat. B'k, Cambridge.	R. C. Ford, <i>V. P.</i>	R. M. Jackson.
	.. First Nat. B'k, Frostburg.	R. M. Jackson, <i>Cas.</i>	R. C. Ford.
	.. Towson National Bank, Towson.	Carl Tafel, <i>P.</i>	Wm. R. Johnson.
MASS...	Beverly Nat. B'k, Beverly.	J. F. Perrie, <i>Cas.</i>	A. Finch.*
	.. Beverly Savings B'k, Beverly.	Jas. N. Kirk, <i>V. P.</i>	John Piles.
	.. South End Nat. B'k, Boston.	B. F. Holbrook, <i>Asst.</i>	
	.. Palmer Savings B'k, Palmer.	Samuel H. Hill, <i>Cas.</i>	
	.. Chapin National Bank, Springfield.	S. Levy, Jr., <i>V. P.</i>	
	.. City Nat. B'k, Springfield.	Jas. H. Ross, <i>Asst.</i>	
	.. Union Market National Bank, Watertown.	Frederick D. Hill, <i>Cas.</i>	Wm. D. Hill.*
MICH...	First Nat. B'k, Bay City.	Chas. E. Patten, <i>Asst.</i>	

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MICH.	First Nat. B'k, Benton Harbor.	Frank Welton, <i>Asst.</i>	
"	First National Bank, Cheboygan.	Geo. F. Reynolds, <i>P.</i>	E. A. Smith.
"	Fourth National Bank, Grand Rapids.	A. W. Ramsay, <i>Cas.</i>	Geo. F. Reynolds.
"	First National Bank, Ithaca.	Geo. W. Gay, <i>V. P.</i>	S. F. Aspinwall.
"	Missaukee Co. B'k, Lake City	O. H. Heath, <i>V. P.</i>	Chas. E. Webster.
"	First State Savings Bank, Niles.	James Cavanagh, <i>Cas.</i>	Abraham Stout.
"	Kalamazoo Co. Bank, Schoolcraft.	G. W. Rough, <i>P.</i>	O. W. Coolidge.
"	First Nat. B'k, Fergus Falls.	L. E. Wood, <i>V. P.</i>	
MINN.	First National Bank, Glencoe.	E. W. Bowman, <i>P.</i>	Zimri Dwiggins.
"	State Bank, Hector.	C. E. Stuart, <i>Asst.</i>	
"	Lake City Bank, Lake City.	A. G. Anderson, <i>Asst.</i>	
"	First Nat. B'k, Shakopee.	J. H. Dorsey, <i>V. P.</i>	Chas. H. Sievers.
"	First Nat. B'k, Stillwater.	T. F. Miller, <i>Cas.</i>	A. R. Gress.
"	Bank of Waverly, Waverly.	Geo. S. Eichmiller, <i>Asst.</i>	
MISS.	Delta Bank, Greenwood.	G. F. Benson, <i>P.</i>	Samuel Doughty.
"	Merchants Bank, Grenada.	Henry Hinds, <i>V. P.</i>	Theo. Weiland.
"	Tate Co. Bank, Senatobia.	W. L. Prince, <i>Asst.</i>	
MO.	First Nat. B'k, Hamilton.	John M. Haven, <i>V. P.</i>	Geo. D. Bartlett.
"	First Nat. B'k, Harrisonville.	Austin B. Morse, <i>Cas.</i>	John M. Haven.
"	First National Bank, Mexico.	R. H. Hicks, <i>V. P.</i>	A. Henderson.
"	First Nat. B'k, Plattsburgh.	Thos. E. Mount, <i>Cas.</i>	R. H. Hicks.
"	Peoples Bank, Salisbury.	Wm. C. McLean, <i>P.</i>	John Powell.*
"	Sedalia Nat. B'k, Sedalia.	W. P. Perkins, <i>P.</i>	James M. Walker.
"	Central Nat. B'k, Springfield.	J. F. Carlock, <i>V. P.</i>	W. P. Perkins.
"	Union Savings B'k, St. Charles.	T. J. Prentice, <i>Asst.</i>	
"	First Nat. B'k, Stewartville.	Wm. A. Ryan, <i>V. P.</i>	H. B. Moody.
"	Grundy Co. Nat. B'k, Trenton.	S. J. Buckner, <i>Asst.</i>	Tony Buckner.
"	National Bank of Unionville.	A. C. Cook, <i>2d V. P.</i>	
MONT.	First National Bank, Dillon.	F. M. Clements, <i>Cas.</i>	Geo. B. Oldham.*
"	Stock Growers Nat. B'k, Miles City.	J. H. Bothwell, <i>V. P.</i>	O. A. Crandall.
NEB.	German National Bank, Beatrice.	Geo. D. McDaniel, <i>V. P.</i>	
"	First Nat. B'k, Beaver City.	Henry F. Pieper, <i>P.</i>	Ezra Overall.*
"	First Nat. B'k, David City.	Thos. L. King, <i>V. P.</i>	O. G. McDonald.
"	First National Bank, Elm Creek.	C. W. Smith, <i>V. P.</i>	Henry Stein.
"	First National Bank, Grant.	O. F. Wentworth, <i>Asst.</i>	G. E. McCutchen.
"	Blue Valley Bank, Hebron.	Howard Sebrce, <i>V. P.</i>	Henry Burfeind.
"	First National Bank, Kearney.	E. H. Johnson, <i>V. P.</i>	Wm. Harmon.
"	German Nat. B'k, Lincoln.	Geo. A. Murphy, <i>V. P.</i>	
"	Nebraska Savings B'k, Lincoln.	Chas. A. Best, <i>Asst.</i>	
"	First National Bank, Minden.	Chas. E. Casey, <i>V. P.</i>	T. M. Williams.
"	First Nat. B'k, Mt. Pleasant.	Geo. Schweser, <i>V. P.</i>	J. Klosterman.
"	Commercial State B'k, Neligh.	F. M. Hollowell, <i>P.</i>	Henry Gibbons.
"	North Platte National Bank, North Platte.	J. M. Forriettall, <i>V. P.</i>	R. A. Lumly.
"	State Bank, Pender.	W. A. Deweese, <i>Asst.</i>	E. P. Brown.
"	Bank of Salem.	C. M. Weiss, <i>Cas.</i>	M. H. Weiss.
"	Schuyler Nat. B'k, Schuyler.	L. J. Titus, <i>V. P.</i>	Edward Updike.
"	Commercial B'k'g Co., Stratton.	F. S. Spafford, <i>Cas.</i>	
"	Tecumseh Nat. B'k, Tecumseh.	G. F. H. Schwake, <i>Asst.</i>	
"	First National Bank, Wayne.	John Taylor, <i>P.</i>	J. G. Southwick.
"	First National Bank, Wymore.	Otto Abrahamson, <i>V. P.</i>	H. E. Lewis.
N. J.	Atlantic Highlands Nat. B'k, Atlantic Highlands.	E. J. Van Leuven, <i>Asst.</i>	
"	City Nat. Bank, Plainfield.	C. R. Alder, <i>Cas.</i>	K. T. Richards.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected</i>	<i>In place of.</i>
N. Y.	City Bank, Buffalo.	Chas. Daniels, 2d V. P.	
"	First National Bank, Herkimer.	Alfred J. Barnes, Cas.	
"	Jamestown National Bank, Jamestown.	Geo. P. Foltz, V. P.	Palmer M. Wood.
"	Bank of Philadelphia.	S. W. Thompson, 2d V. P.	
"	Alliance Bank, Rochester.	A. C. Comstock, P.	Daniel H. Scofield.
"	Walden Savings B'k, Walden.	Geo. W. Thayer, P.	
"	City Nat. B'k, Watertown.	N. J. Fowler, P.	Geo. Weller.*
"	Fidelity Bank, Durham.	R. E. Smiley, V. P.	John Prouty.
N. C.	First National Bank, Gastonia.	John F. Wiley, Cas.	J. F. Slaughter, Jr.
"	Bank of North Wilkesboro, North Wilkesboro.	T. C. Pegram, P.	J. D. Moore.
"	First National Bank, Akron.	E. G. Pasour, Asst.	
OHIO.	Old Nat. B'k, Cambridge.	J. T. Pedan, P.	J. E. Finley.
"	Equitable Nat. B'k, Cincinnati.	J. E. Finley, Cas.	D. W. Greenlee.
"	Second Nat. B'k, Cincinnati.	F. H. Adams, Asst.	
"	First National Bank, Cortland.	C. S. McMahon, Asst.	
"	Preble Co. Nat. B'k, Eaton.	Geo. Fisher, V. P.	J. R. Murdock.
"	Second Nat. B'k, Greenville.	C. H. Davis, V. P.	H. A. Forman.
"	Richwood Deposit Bank, Richwood.	N. A. Cowdery, P.	W. H. Wartman.*
"	Western Reserve Nat. B'k, Warren.	Wm. Davis, V. P.	N. A. Cowdery.
OKL.	Canadian Co. Bank, El Reno.	W. H. Ort, Asst.	
"	First Nat. B'k, Eugene.	John H. Martin, V. P.	James A. Ries.
"	First Nat. B'k, Hillsboro.	F. H. Conkright, P.	W. H. Conkright.*
"	Farmers & Traders Nat. B'k, La Grande.	J. F. Woods, Asst.	
"	Jackson Co. B'k, Medford.	T. W. Case, V. P.	H. J. Barnes.
"	First Nat. B'k, McMinnville.	J. J. O'Rourke, P.	
"	First National Bank, Portland.	J. W. Maney, V. P.	
PA.	Bryn Mawr National Bank, Bryn Mawr.	F. H. Wright, Cas.	
"	Chester Nat. B'k, Chester.	S. B. Eakin, Cas.	S. B. Eakin, Jr.
"	First Nat. B'k, Emporium.	Renj. Scholfield, V. P.	J. J. Morgan.
"	Northern Nat. B'k, Lancaster.	Wm. Proebstel, V. P.	F. Proebstel.
"	Farmers & Merchants N. B., Mercer.	J. E. Enyart, Cas.	G. W. Howard.
"	First Nat. B'k, Mechanicsburg.	E. N. Ford, V. P.	R. P. Bird.
"	Citizens Nat. B'k, Mt. Pleasant.	J. W. Newkirk, Asst.	H. J. Corbett.
"	Market Street Nat. B'k, Phila.	W. C. Alvord, 2d Asst.	
"	Reading Nat. B'k, Reading.	Jesse B. Matlack, V. P.	J. L. Stadelmar.
"	First National Bank, Scottsdale.	J. Frank Black, P.	Samuel A. Dyer.
S. C.	National Bank of Abbeville.	M. P. Whiting, Asst.	
TENN.	Smith Co. Bank & Trust Co., Carthage.	Jacob L. Brubaker, V. P.	
"	Chattanooga Savings Bank, Chattanooga.	John I. Gordon, Cas.	Henry Robinson.
"	Dickson Bank & Trust Co., Dickson.	Martin Mumma, P.	Geo. Hummel.*
"	Bank of Loudon.	Citizens Nat. B'k, Pleasant.	
"	First National Bank, Sparta.	Market Street Nat. B'k, Phila.	
"	Abilene National Bank, Abilene.	Reading Nat. B'k, Reading.	
"	First National Bank, Albany.	First National Bank, Scottsdale.	
"	First National Bank, Calvert.	National Bank of Abbeville.	
"	First National Bank, Cleburne.	Smith Co. Bank & Trust Co., Carthage.	
"	First National Bank, Coleman.	Chattanooga Savings Bank, Chattanooga.	
"	Comanche Nat. B'k, Comanche.	Dickson Bank & Trust Co., Dickson.	
"	City Nat. B'k, Corsicana.	Bank of Loudon.	

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
TEXAS..	North Texas Nat. B'k, Dallas	W. White, <i>V. P.</i>	Henry Exall.
"	First National Bank, Decatur	W. T. Simmons, <i>V. P.</i>	Henry Greathouse.
"	Dublin National Bank, Dublin	James M. Reid, <i>V. P.</i>	
"	Peoples National Bank, Ennis	J. L. Boynton, <i>Asst.</i>	J. W. Weatherford, Jr.
"	First National Bank, Farmersville.	{ A. H. Neathery, <i>P.</i> W. S. Aston, <i>V. P.</i> W. M. Windom, <i>Cas.</i> C. D. Pendleton, <i>Asst.</i>	{ E. H. Pendleton. A. H. Neathery. Sam. R. Hamilton. Will Windom.
"	Gainesville Nat. B'k, Gainesville	W. J. Scott, <i>Cas.</i>	Geo. R. Edwards.
"	Groesbeck Nat. B'k, Groesbeck	J. P. Morris, <i>V. P.</i>	T. K. Stroud.
"	Hill Co. National Bank, Hillsboro.	{ C. E. Phillips, <i>P.</i> W. O. Oldham, <i>Cas.</i> Nelson Phillips, <i>Asst.</i>	{ J. H. Bemis. C. E. Phillips. S. F. Sullenberger.
"	First National Bank, Itasca.	{ R. P. Edrington, <i>V. P.</i> John R. Griffin, <i>Cas.</i> C. C. Bratton, <i>Asst.</i>	{ F. M. Files. R. P. Edrington. John R. Griffin.
"	Iron City National Bank, Llano.	{ J. A. Rafferty, <i>P.</i> R. H. Laning, <i>V. P.</i>	{ W. T. Moore, Sr.* J. A. Rafferty.
"	First National Bank, Lockhart	Wm. Green, <i>Asst.</i>	A. R. Chew.
"	First National Bank, McGregor	Sam F. Sewell, <i>Asst.</i>	
"	First National Bank, New Braunfels.	{ Joseph Faust, <i>P.</i> Herman Clemens, <i>Cas.</i>	{ Wm. Clemens. Joseph Faust.
"	Plano National Bank, Plano	W. R. Norton, <i>Asst.</i>	J. H. Gulledge.
"	First Nat. B'k, Stephenville	J. B. Ator, <i>Asst.</i>	
"	First National Bank, Tyler	J. H. Le Grand, <i>Asst.</i>	
"	Wolfe City National Bank, Wolfe City.	{ W. I. Cook, <i>2d V. P.</i> J. H. Blocker, <i>Cas.</i>	{ C. E. Craycroft. Jas. Z. Stewart.
UTAH..	First National Bank, Logan.	{ Gay Lombard, <i>P.</i> Ripley S. Lyon, <i>Cas.</i>	{ Geo. A. Percival. W. W. Carey.
"	Citizens Bank, Ogden	Newell Beeman, <i>P.</i>	
VT.....	First Nat. B'k, Bennington	H. G. Roots, <i>V. P.</i>	
"	Island Pond National Bank, Island Pond.	Geo. H. Fitzgerald, <i>V. P.</i>	S. D. Hobson.
VA.....	Loudoun National Bank, Leesburg.	{ A. J. Bradfield, <i>V. P.</i> R. H. Lynn, <i>Asst.</i>	{ Camillus Christian.
"	Nat. Exchange B'k, Lynchburg	D. T. Mitchell, <i>Cas.</i>	
"	Mt. Jackson National Bank, Mt. Jackson.	J. L. Brenaman, <i>Asst.</i>	
W. VA.	Traders Nat. B'k, Buckhannon	P. M. Boggess, <i>Cas.</i>	P. M. Robinson.
"	Elkins Nat. B'k, Elkins	H. G. Davis, <i>V. P.</i>	
"	Citizens Nat. B'k, Martinsburg	Edward Rutledge, <i>Asst.</i>	
WAASH..	First National Bank, Centralia.	{ Chas. Gilchrist, <i>P.</i> Frank Hense, <i>V. P.</i> E. L. Bickford, <i>Cas.</i>	{ A. J. Miller. Chas. Erickson. F. Hense.
"	Big Bend Nat. B'k, Davenport	A. F. Lambert, <i>Asst.</i>	
"	First National Bank, Olympia	F. M. Gowey, <i>2d Asst.</i>	
"	Merchants National Bank, Seattle.	{ John B. Agen, <i>V. P.</i> H. F. Meserve, <i>Asst.</i>	{ Abram Barker. F. W. Goodhue.
"	Security Savings B'k, Seattle	A. C. Marconnier, <i>Mgr</i>	
"	Commercial Bank, Tacoma	Frank Allyn, <i>P.</i>	G. H. Wheeler.
"	Tacoma Nat. B'k, Tacoma	John Snyder, <i>V. P.</i>	
"	Baker-Boyer National Bank, Walla Walla.	W. W. Baker, <i>Asst.</i>	F. D. Boyer.
WIS....	First National Bank, Baraboo	Alfred Gattiker, <i>P.</i>	
"	Citizens National Bank, Darlington.	{ Geo. F. West, <i>P.</i> John O'Brien, <i>Cas.</i>	{ James Judge. Geo. F. West.
"	First National Bank, Hurley	T. H. Jackson, <i>Asst.</i>	
"	Milwaukee Nat. B'k, Milwaukee	J. H. Inbusch, <i>Act'g P.</i>	
"	Oconto Nat. B'k, Oconto	W. H. Young, <i>V. P.</i>	
WYO..	Stock Growers Nat. B'k, Cheyenne.	I. C. Whipple, <i>V. P.</i>	
"	First National Bank, Buffalo	W. B. T. Keyser, <i>V. P.</i>	W. R. Stebbins.
MAN....	Alloway & Champion, Portage La Prairie.	P. W. Snider, <i>Mgr</i>	R. Stidston.*
N.W. T.	Union B'k Canada, Lethbridge	P. Vibert, <i>Mgr</i>	F. R. Godwin.

* Deceased.

NEW BANKS, BANKERS. AND SAVINGS BANKS.

(Monthly List, continued from April No., page 793.)

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
ALA....	Dothen.....	Malone, Collins & Co.....	Hanover National Bank.
CAL....	Alameda.....	Encinal Savings Bank.....	.....
	\$15,000	Charles S. Neal, <i>P.</i>	John F. Ward, <i>Cas.</i>
	Valley Ford.....	Dairymens Bank .....	.....
	\$100,000	Hallis Hitchcock, <i>P.</i>	H. M. Le Barron, <i>Cas.</i>
		Andrew P. Gaver, <i>V. P.</i>	.....
COL....	Eaton.....	State Bank of Eaton	Ninth National Bank.
	\$20,000	G. H. Denio, <i>P.</i>	Frank N. Thomas, <i>Cas.</i>
		Edward K. Packard, <i>V. P.</i>	.....
	La Junta.....	La Junta State Bank.....	N. Y. National Exchange Bank.
		R. A. Steen, <i>P.</i>	M. Z. Farwell, <i>Cas.</i>
DAK.N.	Bottineau.....	Merchant's Bank.....	.....
	\$7,000	W. H. McIntosh, <i>P.</i>	Fred W. Cathro, <i>Cas.</i>
		W. R. McIntosh, <i>V. P.</i>	.....
	Emery.....	Farmers Bank .....	.....
	\$10,000	Gerrit Zeeman, <i>P.</i>	Michael Fallgatter, <i>Cas.</i>
GA....	Elberton.....	Bank of Elberton.....	Hanover National Bank.
	\$25,000	Wm. S. Witham, <i>P.</i>	S. M. Heard, <i>Cas.</i>
		McAlpin Arnold, <i>V. P.</i>	.....
IDAMO..	Malad.....	J. N. Ireland & Co.....	Chase National Bank.
	\$40,000	David L. Evans, <i>P.</i>	Caleb Jones, <i>Cas.</i>
		Wm. G. Jenkins, <i>V. P.</i>	.....
ILL....	Stronghurst.....	State B'k of Henderson Co.	.....
	\$25,000	Hugh M. Allison, <i>P.</i>	Jno. W. McKee, <i>Cas.</i>
		Isaac F. Harter, <i>V. P.</i>	E. H. Allison, <i>Asst.</i>
IND....	Dunkirk.....	First National Bank.....	Hanover National Bank.
	\$50,000	Earl W. Merry, <i>P.</i>	Myron L. Case, <i>Cas.</i>
		Hial J. Evans, <i>V. P.</i>	.....
	Galveston.....	Galveston Banking Co....	.....
		M. H. Thomas, <i>P.</i>	Chas. E. Forgy, <i>Cas.</i>
		John Campbell, <i>V. P.</i>	.....
IOWA...	Audubon.....	First National Bank.....	.....
	\$50,000	Chas. Van Gorder, <i>P.</i>	F. S. Watts, <i>Cas.</i>
		T. F. Morrow, <i>V. P.</i>	E. S. Van Gorder, <i>Asst.</i>
	Centerville. ...	Citizens State Bank.....	Gilman, Son & Co.
		Jas. R. Wooden, <i>P.</i>	J. R. Hays, <i>Cas.</i>
	Des Moines.....	Bankers Iowa State Bank..	.....
		Albert Head, <i>P.</i>	V. F. Newell, <i>Cas.</i>
		A. O. Garlock, <i>V. P.</i>	J. W. Reed, <i>ad V. P.</i>
	Foster.....	L. A. Chamberlin.....	.....
	Lacona.....	Bank of Lacona.....	.....
		(S. H. Mallory & Co.)	.....
	Monroe.....	State Savings Bank.....	.....
	\$17,000	William H. Shaw, <i>P.</i>	Josiah Fisher, <i>Cas.</i>
		F. P. Burchinal, <i>V. P.</i>	F. P. Burchinal, <i>Asst.</i>
	Winfield.....	Winfield State Bank.....	.....
	\$25,000	J. C. Green, <i>P.</i>	Harvey S. Young, <i>Cas.</i>
		Chas. Lauer, <i>V. P.</i>	.....
	Woodburn.....	Woodburn Bank.....	Hanover National Bank.
	\$10,000	Benjamin Coppock, <i>P.</i>	Chas. A. Twyford, <i>Cas.</i>
		Geo. W. Black, <i>V. P.</i>	.....
KAN....	Hope.....	Hope State Bank.....	Chase National Bank.
	\$15,000	Wm. Koch, <i>P.</i>	Thos. C. Sawyer, <i>Cas.</i>
		J. N. Ketchersid, <i>V. P.</i>	.....
	Kansas City.....	Bank of Kansas City.....	Seaboard National Bank.
	\$50,000	John O. Fife, <i>P.</i>	Wm. G. Porter, Jr., <i>Cas.</i>
		Erich Homuth, <i>V. P.</i>	Wm. E. Connelley, <i>Asst.</i>
	Perry.....	Bank of Perry.....	.....
		John F. Goepfert, <i>P.</i>	.....

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
KAN....	Rossville.....	Rossville State Bank.....	Chase National Bank.
	\$10,000	E. B. Merriam, <i>P.</i>	I. B. Alter, <i>Cas.</i>
"	..Soldier.....	Citizens State Bank.....	.....
		Carl E. Friend, <i>P.</i>	H. H. Lynn, <i>Cas.</i>
KY....	Beard.....	Beard Deposit Bank.....	.....
		A. E. Clore, <i>P.</i>	Samuel B. Royster, <i>Cas.</i>
		Jas. Fox, <i>V. P.</i>	.....
"	..Erlanger.....	Erlanger Deposit Bank.....	.....
		W. H. Baker, <i>P.</i>	J. C. Henry, <i>Cas.</i>
"	..Fordsville.....	Fordsville Banking Co.....	Hanover National Bank.
	\$15,100	John T. Smith, Jr., <i>P.</i>	Ike C. Adair, <i>Cas.</i>
		W. L. Graves, <i>V. P.</i>	.....
MICH....	Gaylord.....	Gaylord State Savings B'k..	Hanover National Bank.
	\$1,500	Frank A. Kramer, <i>P.</i>	Sanford W. Buck, <i>Cas.</i>
		Earl R. Bolton, <i>V. P.</i>	.....
"	..Lake City.....	Lake City Bank.....	Chase National Bank.
	\$25,000	(Ardis & Lewis)	A. C. Lewis, <i>Cas.</i>
"	..Tecomseh.....	Tecomseh State Savings B'k	Chase National Bank.
	\$26,000	Chas. A. Slayton, <i>P.</i>	J. H. Smith, <i>Cas.</i>
		B. C. Knapp, <i>V. P.</i>	.....
"	..Wyandotte.....	First Commercial & Sav. B'k.	.....
	\$50,000	William Campbell, <i>P.</i>	Charles F. Babcock, <i>Cas.</i>
		James T. Hurst, <i>V. P.</i>	.....
MINN....	McKinley.....	Bank of McKinley.....	Chase National Bank.
	\$6,000	Wm. McKinley, <i>P.</i>	Chas. E. Starkey, <i>Cas.</i>
		Arthur G. McKinley, <i>V. P.</i>	.....
"	..Spring Valley.....	Citizens Bank.....	Chase National Bank.
		(Sorrenson, Ober & Co.)	.....
MISS....	Moss Point.....	Scranton State Bank.....	Fourth National Bank.
	\$25,000	Henry C. Herring, <i>P.</i>	John W. Stewart, <i>Cas.</i>
		J. Ira Ford, <i>V. P.</i>	.....
NEB....	Brunswick.....	State Bank.....	Seaboard National Bank.
	\$10,000	A. W. Swender, <i>P.</i>	J. H. Lohmann, <i>Cas.</i>
"	..De Witt.....	First National Bank.....	.....
	\$50,000	Chas. B. Anderson, <i>P.</i>	Geo. W. Collman, <i>Cas.</i>
		Chas. W. Rieger, <i>V. P.</i>	C. W. Ribble, <i>Asst.</i>
"	..De Witt.....	De Witt Savings Bank.....	.....
	\$12,500	Chas. B. Anderson, <i>P.</i>	Geo. W. Collman, <i>Cas.</i>
		Chas. Bidelman, <i>V. P.</i>	C. W. Ribble, <i>Asst.</i>
"	..Hartington.....	Citizens Bank.....	Chemical National Bank.
	\$10,000	Eugene L. Dimick, <i>P.</i>	George I. Parker, <i>Cas.</i>
"	..Malmo.....	Farmers & Merch. Bank...	American Exchange Nat. Bank.
	\$7,500	R. B. Van Driel, <i>P.</i>	Wm. H. Ostenburg, <i>Cas.</i>
		G. E. Bredenburg, <i>V. P.</i>	.....
"	..New Castle.....	Farmers State Bank.....	.....
	\$10,000	John Connery, <i>P.</i>	W. P. Logan, <i>Cas.</i>
		D. T. Gilman, <i>V. P.</i>	E. G. Logan, <i>Asst.</i>
"	..Trenton.....	State Bank.....	Hanover National Bank.
		(W. O. Robinson)	.....
N. Y....	Babylon.....	Babylon National Bank...	.....
	\$50,000	W. F. Norton, <i>P.</i>	A. E. Hawkins, <i>Cas.</i>
"	..Glens Falls.....	Merchants National Bank..	.....
	\$100,000	William H. Robbins, <i>P.</i>	Fred F. Pruyn, <i>Cas.</i>
"	..Matteawan.....	Matteawan National Bank.	.....
	\$100,000	Theo. Brinckerhoff, <i>P.</i>	David Graham, <i>Cas.</i>
		John P. Rider, <i>V. P.</i>	.....
"	..Niagara Falls.....	First National Bank.....	.....
	\$100,000	D. Phillips, <i>P.</i>	Henry Durk, <i>Cas.</i>
"	..Westchester.....	Bank of Westchester.....	Chase National Bank.
	\$50,000	W. H. Birchall, <i>P.</i>	Morris M. Corwin, <i>Cas.</i>
N. C....	Mount Airy.....	First National Bank.....	.....
	\$50,000	Thos. Fawcett, <i>P.</i>	Mary L. Fawcett, <i>Cas.</i>
		Richard L. Gwyun, <i>V. P.</i>	.....
OHIO....	Canal Fulton.....	Fulton Bank.....	.....
	\$2,000	.....	Alden J. Kittinger, <i>Cas.</i>
"	..Columbus.....	East End Savings B'k Co..	Hanover National Bank.
	\$25,000	Thos. E. Knauss, <i>P.</i>	C. H. Houseman, <i>Cas.</i>
		David Green, <i>V. P.</i>	.....

<i>State.</i>	<i>Place and Capital</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
OKL.	T. Kingfisher....	First National Bank.....	Hanover National Bank
	\$50,000	A. J. Seay, <i>P.</i>	J. C. Post, <i>Cas.</i>
		Wm. Grimes, <i>V. P.</i>	H. H. Watkins, <i>Asst.</i>
"	..Oklahoma.....	State National Bank.....	National Park Bank
	\$50,000	Henry Will, <i>P.</i>	Edw. H. Cooke, <i>Cas.</i>
		Robert N. Rogers, <i>V. P.</i>	
PA....	Pittsburgh.....	Pittsburgh Trust Co.....	Seaboard National Bank
	\$600,000	J. J. Vandergrift, <i>P.</i>	C. B. McVay, <i>V. P. & Tr.</i>
"	..Warren.....	Warren National Bank....	
	\$150,000	G. N. Parmlee, <i>P.</i>	
TENN...	Milan.....	Milan Banking Co.....	Latham, Alexander & Co.
	\$25,000	T. W. Adams, <i>P.</i>	Fred Collins, <i>Cas.</i>
		John M. Dickson, <i>V. P.</i>	L. P. Dodson, <i>Asst.</i>
"	..Selmer.....	McNairy Co. Bank.....	Hanover National Bank.
		W. H. Bobbitt, <i>P.</i>	J. R. Jarrell, <i>Cas.</i>
TEXAS..	Hempstead....	Farmers National Bank..	
	\$50,000	John G. James, <i>P.</i>	Ed. F. Johns, <i>Cas.</i>
"	..Hillsboro	Citizens National Bank....	
	\$50,000	George Carmichael, <i>P.</i>	J. J. Yerby, <i>Cas.</i>
"	..Sonora.....	Sutton Co. Bank.....	
	\$15,000	Wm. F. Buchanan, <i>P.</i>	Hubert H. Pearce, <i>Cas.</i>
"	..Wharton.....	First National Bank.....	
	\$50,000		R. T. Ervin, <i>Cas.</i>
"	..Winnsboro.....	Merchants & Planters B'k..	United States National Bank.
	\$40,000	T. J. Gibson, <i>P.</i>	C. H. Morris, <i>Cas.</i>
		D. M. White, <i>V. P.</i>	
VA.....	Portsmouth....	Peoples Bank.....	United States National Bank.
		John M. Hume, <i>P.</i>	Alex B. Butt, <i>Cas.</i>
WASH..	Kelso.....	Merchants Bank.....	
		C. E. Forsyth, <i>P.</i>	T. S. Rolston, <i>Cas.</i>
"	..Spokane.....	Commercial Savings Bank..	Hanover National Bank.
	\$50,000	Geo. F. Edmiston, <i>P.</i>	D. K. McDonald, <i>Cas.</i>
Wis....	Bay City.....	Bank of Bay City.....	
			Orrin E. Barrett, <i>Cas.</i>
"	..West Salem....	West Salem Exch. Bank...	
	\$4,000	(John Johnson)	
ONT....	Preston.....	Merchants Bank of Canada.	Bank of New York, N. B. A.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during April, 1893.

NEW YORK CITY.....	National Union Bank, by Jos. C. Hendrix and associates.
ILL....Chicago.....	Lumbermens National Bank, by J. I. Kopperl and associates.
IND. T..Chickasha.....	First National Bank, by F. E. Gilmore and associates.
IOWA...Blanchard.....	First National Bank, by C. G. Anderson and associates.
MASS....Springfield.....	Springfield National Bank, by H. H. Bowman and associates.
MINN...Elbow Lake.....	National Bank of Elbow Lake, by H. Sampson and associates.
OHIO...Toledo.....	German National Bank, by Hugh F. Shunck and associates.
PA.....Athens.....	Farmers National Bank, by Job Griffin and associates.
"	..Mercer.....Mercer County National Bank, by Henry Robinson and associates.
"	..Pittsburgh.....National Bank of Western Pennsylvania, by Chas. McKnight and associates.
TEXAS..Atlanta.....	First National Bank, by J. W. Campbell and associates.
"	..Rockwall.....Rockwall Co. National Bank, by T. W. Bailey and associates.

PROJECTED BANKING INSTITUTIONS.

- ALA....Mobile.....Felicity Trust Co.
 " ..Union Springs..New bank starting.
- ARIZ...Yuma.....Dr. W. P. Book is starting a bank at this place.
- CONN...Middletown....Columbia Trust Co. C. B. Leach, Manager.
 " ..Waterbury.....Mad River Savings Bank incorporated.
- FLA....Eau Gallie.....New bank opened.
- GA.....Atlanta.....Trust Company of Georgia; capital, \$300,000. Stockholders: George Winship, R. J. Lowry, S. M. Inman, Paul Romare, J. T. Dargan, Ernest Woodruff, H. E. W. Palmer, A. E. Thornton.
- ILL....Alton.....State Bank; capital, \$25,000. Projectors: A. W. Cross, D. J. Murphy, and T. S. Chapman, of Jerseyville.
 " ..Chicago.....W. D. Kerfoot, George Schneider, T. J. Lesens, W. C. Seipp, and others, are starting a new trust company with \$1,000,000 capital.
 " ..PerryPerry State Bank; capital, \$25,000. Wm. H. Wilson, President; Robert Gregory, Cashier.
 " ..Riggston.....Farmers State Bank; capital, \$25,000. Incorporators: Jas. A. Graham, Robt. M. Hutchinson, Thos. N. Baird, Leroy Rezner, Andrew G. McInhorn, W. S. Plummer, Edward Kelly.
 " ..Rogers Park...Merchants State Bank; capital, \$25,000. Incorporators: Jas. H. Teller, George M. Collins, Thornton Ware, J. M. Ware, D. A. Preston.
- IND....Indianapolis...Indiana Trust Co.; capital, \$750,000. Directors: John P. Frenzel, Albert Lieber, James F. Failey, Frank G. Darlington, Wm. Haueisen, Edward G. Cornelius, E. Hawkins, O. N. Frenzel, Henry W. Lawrence, Frederick Fahnley, of Indianapolis; Chas. B. Stuart, of Lafayette.
- IOWA...Sioux City.....Woodbury Co. Savings Bank; capital, \$50,000. Wm. Milchrist, President; F. B. Goss, Cashier.
 " ..Walnut.....German Savings Bank; capital, \$10,000. Incorporators: Julius Hector, J. F. Round, John Matthies, Joseph Boiler, W. F. Burke, C. A. Rassman, H. Conrad Mueller.
- KAN....Durham.....Durham State Bank; capital, \$25,000. Directors: J. W. Moore, Chr. Haas, Marion; F. P. Swift, J. A. Stephenson, H. M. Thorp, Peter Bartel, C. E. Scott, Durham.
- MD....Chestertown....New savings bank to be started. Stockholders: J. D. Erie, John K. Aldridge, J. D. Bacchus, M. A. Toulson, J. S. Bradley, C. S. Smith, C. L. Dodd, Ralph Burgen, and others.
- MASS...Boston.....Jamaica Plain Trust Co.; capital, \$200,000.
- MICH...Mt. Clemens....Ulrich Savings Bank; capital, \$100,000.
- MINN...Lake Benton....Matthews State Bank; capital, \$25,000. Organizers: Albert C. Matthews, William Gile, Albert Warren, Lars E. Fjseth, H. B. Keeler, Alfred Soderlind, A. L. Bartlett, S. B. Gates, L. H. Mack.
- NEB....Brunswick.....State Bank incorporated; capital, \$25,000.
 " ..EddyvilleEddyville Bank; capital, \$100,000. Capt. J. S. Stuckey, President; M. B. Marat, Vice-President; M. W. Stuckey, Cashier.
- N. J....Paterson.....Silk City Safe Deposit Co.; capital, \$100,000. William Ryle, President. Directors: Geo. W. Fulton, C. Kelly, Chas. L. Auger, Wm. C. Martin, Chas. A. Ryerson, Louis Teweles, and others.
- N. Y....BuffaloNew bank starting in East Buffalo.

- N. Y...Glen Cove.....Savings bank started. Incorporators: Frederick E. Willets, C. B. Gruman, Edward T. Payne, Louis T. Duryea, Chas. Post, and others.
- N. C....Winston..... Wachovia Loan and Trust Co.; capital, \$200,000. F. H. Fries, President; Jas. A. Gray, Vice-President; F. Shaffner, Treasurer.
- OHIO...Cincinnati..... City Hall Bank of Cincinnati; capital, \$100,000. Organizers: Dr. W. A. R. Tenney, W. H. Alms, Aug. Muth, T. J. Peale, and others. Claude Ashbrooke will be Cashier.
- PA. Beaver Falls.... S. T. Reeves & Co., bankers.
- " ..Wilkesbarre..... National Loan and Trust Co.; capital, \$1,000,000. Directors: Philip Weiss, Henry G. Lieni, Henry Bodwex, J. Watson Miller, Dr. Morgan Weiler, Wilkesbarre; Daniel W. Kunkle, Nicholas Scoble, Parsons.
- " . Wilkesbarre.... Wyoming Valley Trust Co.; capital, \$250,000. Directors: Liddon Flick, J. F. Lenahan, M. L. Driesbach, E. H. Lawall, Fred Theiss, Cyrus Straw, W. F. Smyth, John A. Schmitt, David Williams, E. W. Davis, Isaac S. Long.
- S. C.... Spartanburg... Colored Banking Association. P. G. Hammett, C. C. Liles, G. F. Wells, H. B. Mayberry, incorporators.
- TEXAS. Winnsboro..... Merchants and Planters Bank. T. J. Gibson, President; C. H. Morris, Cashier.
- VT..... Hardwick..... Hardwick Savings Bank and Trust Co.; capital, \$50,000. Projectors: I. P. Titus, G. L. Johnson, J. H. McDoud.
- W. VA. West Union.. West Union Bank; capital, \$35,000. Incorporators: W. Brunt Maxwell, P. M. Robinson, Clarksburg, W. Va.; S. B. McMillen, Lewis Maxwell, W. Stuart, J. V. Blaire, L. R. Charter, J. M. Markey, L. W. Pearcey, West Union.
- Wis.... Pt. Washington. O. D. Bjorkquist will open a private bank in the Foster Bldg.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from April No., page 797.)

No.	Name and Place.	President.	Cashier.	Capital.
4846	Merchants National Bank..... Glens Falls, N. Y.	William H. Robbins,	Fred. F. Pruyn,	\$100,000
4879	Warren National Bank..... Warren, Pa.	G. N. Parmlee,		150,000
4888	First National Bank..... Dunkirk, Ind.	Earl W. Merry,	Myron L. Case,	50,000
4891	First National Bank..... Audubon, Ia.	Chas. Van Gorder,	Frank S. Watts,	50,000
4894	Farmers National Bank..... Beaver Falls, Pa.	Frank F. Brierly,	Geo. W. Morrison,	100,000
4895	First National Bank..... De Witt, Neb.	Chas. B. Anderson,	Geo. W. Collman,	50,000
4896	First National Bank..... Mount Airy, N. C.	Thos. Fawcett,	Mary L. Fawcett,	50,000
4899	First National Bank..... Niagara Falls, N. Y.	D. Phillips,	Henry Durk,	100,000
4900	Citizens National Bank..... Hillsboro, Tex.	Geo. Carmichael,	J. J. Yerby,	50,000
4903	First National Bank..... Wharton, Tex.		R. T. Ervin,	50,000
4905	Farmers National Bank..... Hempstead, Tex.	John G. James,	Ed. F. Johns,	50,000
4906	Babylon National Bank..... Babylon, N. Y.	Washington F. Norton,	A. Ellis Hawkins,	50,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from April No., page 799.)

- ALA.... Mobile..... Alabama National Bank in hands of receiver.
- DAK. S. Milbank..... Bank of Milbank reported assigned.
- .. Wilmot..... Bank of Wilmot reported closed.
- IDAHO.. Wallace..... Cœur d'Alene Bank reported closed.
- .. Wardner..... Miners Exchange Bank reported closed.
- ILL.... Lexington..... First National Bank has gone into voluntary liquidation ;
succeeded by Peoples Bank, same officers.
- .. Stronghurst... Bank of Stronghurst succeeded by State Bank of Henderson
Co.
- IND.... Galveston..... Farmers Bank succeeded by Galveston Banking Co.
- IOWA... Audubon..... Audubon Co. Bank succeeded by First National Bank.
- .. Sibley..... Northwestern State Bank reported closed.
- .. Sioux City..... Union Loan & Trust Co. reported assigned.
- KAN.... Ashland..... State Bank in process of voluntary liquidation.
- .. Hope..... Bank of Hope now Hope State Bank.
- .. Wilsey..... Bank of Wilsey (C. M. Beachy) discontinued.
- MASS... Boston..... Francis V. Parker & Co. reported closed.
- MICH... Gaylord..... Gaylord Exchange Bank succeeded by Gaylord State Savings
Bank.
- .. Lansing..... Central Michigan Savings Bank reported closed.
- .. Schoolcraft..... Kalamazoo Co. Bank incorporated.
- .. Tecumseh..... Lilley State Bank succeeded by Tecumseh State Savings Bank.
- MINN... Echo..... Bank of Echo (Griffith, Smith & Co.) now Griffith & Smith
proprietors.
- .. St. Charles..... Bank of St. Charles (Jas. C. Woodard) incorporated.
- MISS... Moss Point..... British American Trust Co. succeeded by Scranton State Bank
(Branch).
- MONT.. Great Falls..... Security Bank now Montana Trust Co.
- NEB.... De Witt..... De Witt Bank & Saline Co. Bank succeeded by First National
Bank.
- .. Marquette..... Bank of Marquette sold out to Farley's Bank.
- .. Ponca..... First National Bank reported suspended.
- OHIO... New Straitsville. Bank of New Straitsville reported closed.
- OKL. T. El Reno..... Canadian Co. Bank incorporated.
- .. Kingfisher..... Bank of Kingfisher succeeded by First National Bank.
- ORE.... North Yamhill.. Farmers & Traders Bank reported closed.
- PA..... Mt. Pleasant..... Mt. Pleasant Bank succeeded by Citizens National Bank.
- .. Townville..... Farmers Co-operative Bank, title changed to Farmers Bank.
- .. Troy..... Pomeroy Bros. succeeded by Pomeroy & Mitchell.
- TENN.. Milan..... E. A. Collins succeeded by Milan Banking Co. incorporated.
- .. Nashville..... Commercial National Bank has been placed in hands of
receiver.
- .. Nashville..... Mechanics Savings Bank & Trust Co. reported assigned.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, APRIL, 1893.

[illegible]

THE
BANKER'S MAGAZINE
AND
Statistical Register.

VOLUME XLVII.

JUNE, 1893

No. 12.

BUSINESS AND THE BANKS.

Within a few months there have been numerous and heavy failures in different parts of the country. For a long time the newspapers have been assuring the country that, though profits were not large, business was sound and well conducted, and that there was nothing to fear. It is true that the quantity of the product in almost every kind of business has been very great, and the demand therefor has been good. There has been, perhaps, no excessive production, except in a few directions. Business has been something like a frozen river with a smooth and apparently solid surface, which the waters are wearing away underneath, until only a thin and rotten film is left. Notwithstanding the apparent solidity of business, and the large quantity of products, this feeling of insecurity has long prevailed. Competition has been excessively keen, and profits have been unusually low; and the most intelligent persons everywhere have felt that after a while weak spots would be discovered. These facts all are now beginning to see.

These failures, in many cases, reveal the intimate relations existing between banking institutions and other business. Many producers have borrowed money from the banks, which, if not loaned, would have caused their failure long ago, and to the obvious advantage of every one except the immediate losers. The banks

have fed them, have kept them alive, though doubtless ignorant in almost every case of their real condition. In so doing the banks have done something more than simply preserve such persons and companies. These producers have unfortunately made prices for the stronger, and thus the banks have been the unwitting instruments of reducing prices and injuring business. An illustration will perhaps make the truth of the assertion more obvious. A few months ago we asked one of the largest and most successful makers of mechanics' tools in this country concerning the condition of business, and he replied that he was never more busy, but making no profit. His plant is enormous; it is managed with the utmost skill; every economy learned by long experience has been introduced; credit, capital, and every appliance for the successful management of the business; and yet the company was by no means prosperous. Now what was the difficulty? The failure of a large rival concern a few weeks afterward clearly showed why the other was making no money. The failed concern had been kept alive for a long time by borrowing heavily and principally from the banks. It was necessary to sell at lower prices than competitors in order to have the trade, and this they must have to get the funds to pay their notes. Thus they were making prices not only for themselves, but for all competitors; while dragging themselves down to certain ruin, they were also carrying every competitor nearer the precipice. Had the banks long before withheld assistance the concern must have failed, and prices would not have been driven down to such a low figure. The banks, therefore, by sustaining this concern, sustained the keen competition described, and also the sale of commodities at a positive loss in many cases.

The same thing might be said of banks in the way of furnishing capital to other concerns which are unworthy of support. Of course, they do not understand the real situation of things, if they did they would not lend a dollar to them, for they do not intend to jeopardize their capital by lending in this manner. They are simply ignorant of the real condition of things. They suppose that the borrower is solvent and probably making money. Representations are doubtless made to them which are believed; but when a failure comes, then they learn that they were deceived, that their capital has been used by borrowers to sell at less than the cost of production, besides jeopardizing all others who were engaged in the same business.

It is discouraging to think how much the banks are responsible without intention for this state of things. They are the very last institutions in the world to lend money to persons who are competing in business so sharply as to risk the capital borrowed. Yet many loans of this character are now made, because the banks

are so far removed from borrowers, from their factories or places of business, and have in general such an imperfect knowledge of the nature of the business in which they are engaged.

Is there any remedy for this evil? Of course, one would say that the banks ought, if possible, to understand more clearly the true situation of their borrowers, but can this ever be known? Again and again have the banks discussed ways of keeping informed concerning the amount of paper which borrowers have issued. Various plans have been suggested to ascertain this for the general advantage of the banking world. Even if this could be done it would not be a very effective remedy. It would doubtless lead banks to be more careful in making loans, but such a remedy does not go to the heart of things. A bank ought to know the nature of a man's business and whether he is making money or not; whether he can probably pay a loan if it is granted to him; and until such information can be obtained, the business of banking must at times at least be very hazardous. One of the evils pertaining to many kinds of business in our days is the haste or rapidity with which it is done. This is the day of machinery of every kind; indeed, the high pressure plan seems to prevail everywhere, and yet, obviously, the lending of money safely must be done in precisely the opposite manner. It must be loaned more slowly. More inquiries and examinations must be made, and yet, as we all know, the old-fashioned way of lending through a board of directors has largely ceased. A man must have his money to-day: he cannot wait two or three days for a board to discuss his application, and so, especially in the larger cities, most of the loans are made by one or two officials, and, the chief function of a board of directors is simply to sanction their action. But is it true that business is in such a condition that an applicant for money must have it within an hour or two? Must the bank president decide at once whether he will grant or refuse the application? Is it not true that an investigation might be made whenever desired into the condition of a man's business? It is true that even if such an investigation was made it would not always be correct, yet in most cases a bank would get fuller information than it has in making loans of this character. In short, the obvious moral from these failures is that the banks must return somewhat to the old methods of lending more slowly, of making fuller investigations, and of satisfying themselves of the soundness of the borrowers and of trade before risking their money. If this is not done, and they continue to lend as they have done, then, doubtless, there will be just as many borrowers, and the banks will continue to pay just as dearly for their experience as they are paying at the present time.

THE BANKS AND THE TREASURY.

The banks, especially in New York City, have been criticised for their conduct in not supporting the Secretary of the Treasury in his efforts to maintain the gold reserve. The *New York Financial and Commercial Chronicle* contains the following:

Under ordinary circumstances the burden of supplying gold to meet the export demand would necessarily belong to the banks. They are the instruments of the commerce out of which the demand grows; their customers are the agents who are sending the gold, and the checks of those customers made against their deposits furnish the funds for export. Now the claim is that these institutions are wrongly endeavoring to evade this obligation by transferring the burden they ought to bear from their own reserve to the Government reserve. This it is urged the banks do by paying their customers' checks in legal tenders instead of paying them in gold; thereby, the assertion is, the banks not only hoard gold, but keep up a constant drain on the Treasury holdings of that metal, since the customers of the banks as soon as they get their checks cashed carry the legal tenders to the Government and require their redemption in gold.

Mr. Henry Clews, in one of his circulars, has criticised the banks more strongly perhaps than any one else, but we see no ground for these criticisms. In the first place, it should be remembered that none of the banks, not even the National, are under special obligations to the Government. Every one knows that the State institutions were crushed out by a ten per cent. tax on their circulation, which prevented them from competing with the new institutions and which was intended to have this effect. Now, for many years, the banks have been trying to get some legislation which would enable them to add something to their profits without in the least injuriously affecting a single interest in the country, and have utterly failed. For example, they have been trying to obtain authority to issue circulation for the par value of the bonds deposited with the Treasury, and yet this measure, obviously safe, has failed for no reason whatever save that the banks can make a little more money. It would be utterly impossible to show that the circulation would be impaired, or that any interest would suffer by the change. Furthermore, the banks have been well taxed for all the privileges they enjoy, and there is then no especial reason why they should assist the Secretary of the Treasury in accumulating gold.

It may be politic for them to do so; it may be patriotic, but one can readily understand why as they are not likely to be any better treated in the future than they have been in the past, they are not fired with zeal to sacrifice any portion of their se-

curities or profits for the sake of aiding the Government. Indeed, if gold is going to a premium, as many fear, should the present policy be continued, of course the banks would lose by parting with their gold, and we cannot see why any one should expect greater sacrifices of them than individuals or other companies are willing to make. If the banks happen to have gold this is their good fortune, but there is nothing to prevent other companies or individuals from buying gold and tendering it to the Government in exchange for its notes should they desire to do so.

It will not be questioned that the banks have a right to demand payment of their legal tenders; the only criticism is one of policy or expediency in doing so. The thing to criticise is the conduct of the Government in trying to float a large mass of paper obligations on a wrong basis. The real blunder should not be hidden by accusing some one else of meanness. There are those who regard the conduct of foreigners in sending their securities over here for sale and drawing gold in payment as a mean operation. Then the buyers are accused of meanness in not paying gold for them instead of greenbacks or other notes. In the old days of State banking when they issued notes by the bushel, it was always regarded as a mean thing to ask for payment of them. Indeed, the same kind of feeling has been lately shown by the farmers of Kansas toward their creditors. They regard them as the meanest people on the face of the earth because they have required their debtors to fulfil their promises, nothing more. Is it not a good thing so long as nations persist in issuing the representatives of specie for circulation now and then to demand payment of them in order not only to test the solvency of the issuers, but to remind all that the real money of the world is specie, and that the paper circulation is nothing but a mere promise and which the issuers at all times should be ready to fulfil? People are too prone to get in the way of regarding all paper issues as permanent; that their redemption will never be demanded; and the fatal consequence is that after a time they come to believe that any amount may be issued with safety. This is always the outcome of issuing too much paper money, and nothing will bring the people to their senses more quickly than occasionally to make large demands on the Government for the redemption of its promises. It happens that for some time past payment of the paper money issued by our Government has been demanded by the foreign holders of our securities; but it should not be forgotten that the game they have been playing with our Government may be played with every large government at any time. If gold should become too scarce and we should want it badly enough, we would find a way of buying foreign gold the same as foreigners are now doing with ours. So long

as they issue obligations payable in gold, payment of them may be demanded. No nation is exempt. The experience from which our country is now suffering may be experienced by Austria, England or any other country at any time. There is nothing peculiar in the situation.

The obvious lesson is that there is altogether too much paper money afloat for the metallic basis which it represents. What is true of this country is true of every other, and England is by no means exempt. Demand a few millions of pounds of the Bank of England and immediately the rate of discount is advanced, which is another way of saying to the world, we do not wish to spare our gold. Why this fear? What will happen if it does go? Is there not enough for all purposes? The action of the bank means, we cannot spare much without some risk, and, therefore, we will resort to a more stringent method for keeping it. Any monetary system, therefore, that has a fear of this kind inhering in it is defective and should be remedied. If the drawing of a few hundred millions from this country shall awaken the people to this truth it will be a good thing. Perhaps the blessing may not be experienced to-day, but it surely will give all those who believe in unlimited paper money a set-back to their theories. But, as we have already said, this experience is not peculiar. We are just as well off as England, Austria, and other nations; the same thing may happen to them at any time. The lesson to be heeded is, we should form a larger metallic basis, and if the quantity of gold cannot be increased then silver should be used. Of course, we do not mean to imply that the present silver policy should be continued; but we do mean to assert that the world cannot safely discard the use of silver as the basis of its paper issues, and if it thinks it can, and persists in doing so, we have no doubt whatever that disarrangements and depressions and panics will follow. Perhaps the time may come when the use of silver may be discarded and gold also, but that time is not yet, and the present flutter caused by the exodus of our gold to Europe, and the flutter on the other side when a few millions is withdrawn from their banks, is unanswerable proof of the fact that nations and banking institutions are trying to sustain a paper currency on too small means of payment. In other words, there is an ever present fear that they cannot maintain their obligations. The remedy which every one clearly enough sees is a larger use of the two metals. It is senseless, then, to accuse the banks of any spirit of meanness or narrowness in their action. If the present policy is to be continued, foreigners can draw every dollar of gold from this country, because they hold more than enough of our securities; and there is nothing especially gained in drawing gold from the banks as well as from the Treasury. If foreigners should

persist in drawing every dollar from the Treasury, people might in the end rejoice that the banks had made an effort to retain theirs. But, as we remarked in the beginning, so long as Congress continues to treat the banks so shabbily, no one can justly accuse them of thoughtlessness or lack of patriotism in not responding more promptly to the wishes of the Secretary of the Treasury. Doubtless if they had responded to his wishes, the crisis would have been only a little longer prolonged but not averted.

World's Congress of Bankers.—A notable body of business men will be gathered together at the World's Fair from the 19th to the 25th of June, at which time a congress of bankers and financiers is to be held. From semi-official announcements it is learned that the presiding officer will be Lyman J. Gage, president of the First National Bank of Chicago, and that Senator John Sherman will deliver an address of welcome to the foreign delegates. It is intended that these delegates shall explain the banking systems and the financial resources of their respective countries and that numerous addresses on monetary and business topics shall follow. Among the countries which are expected to send delegates are Great Britain, France, Germany, Austria, Russia, Italy, Belgium, Holland, Japan and China. A feature of the congress will be a series of conferences by experts in various branches of banking and financial science, classified as follows: (1.) A conference of delegates appointed by the Governors of several States and Territories and Canada to compare banking systems, methods of business, banking resources, and general investments peculiar to each. (2.) A conference of delegates from bankers' associations in the United States and Canada, and also from bankers' clubs. Each bankers' association is to send not more than three delegates, and the discussions will be upon the purposes of association among banks and the possibility of closer union. (3.) A conference of delegates from clearing houses in the United States, Canada and England to consult on clearing house methods and to formulate, if possible, some plan of union among clearing houses; and (4.) A conference of bank examiners and accountants from all parts of the world, and of superintendents of banking departments under the several State governments.

A REVIEW OF FINANCE AND BUSINESS.

THE FINANCIAL CRISIS EXTENDING WESTWARD.

While the Treasury crisis ended in April, as predicted a month ago, for the time being, at least, the month of May has witnessed its extension to business circles generally, precipitated by the panic in the industrial stock market, which was the weakest spot in the financial situation, and hence the first to be reached by a tight money market. The shock to public credit was inevitably followed, by a general contraction of private credit as well as of bank accommodation, until the congestion has reached and partially paralyzed every branch of business. With this extension of the storm area, the center of the financial disturbance has moved from Wall Street to the West, where banks, trust companies and corporations have fallen before the cyclone like cob houses, and left its path strewn with wrecks of the wild financial legislation of the last few years, in the very sections which most strongly advocated it. During April and the early part of May, when the distress had not gotten beyond Wall Street, there was a good deal of ostentatious boasting in the West, and especially at Chicago, that Wall Street was the only place affected by a tight money market. The Bull cliques in that city, engaged in an attempt to corner the wheat and provision markets, actually put up the prices of those staples for "moral effect," to show the East that the West was on a sounder financial basis; that the values of her speculative articles were legitimate, and therefore safer, either for speculation or investment, than the favorites of Wall Street. But the increasing strain, and the steady drain upon the resources of both banks and business men in the West, has since taken the "prairie wind" out of the sails of these Western boomers, and brought them to a realizing sense of what a tight money market means, as well as of the effects of the currency legislation, for which they are responsible, upon the business of the country. But one bank failure has occurred in this city, and that a new one, as well as unimportant, with few, outside of New York, in the Eastern or Middle States, that have caused heavy loss or shock to public confidence, in the general soundness of banking institutions, National or State.

THE WESTERN MONEY MARKETS.

The storm center moved west of the Alleghenies by the middle of the month, and has since spread rapidly over the Western and Northwestern States, until even the Bull cliques in Chicago have been compelled to bend before its force, and to liquidate their

holdings, in part, if not to abandon their deals. The shock to public and private credit has been deepened at that and other Northwestern trade centers by troubles with old and established banks and trust companies, as well as by the discovery of so many weak and wild cat concerns, called banks, scattered all over the West.

The result of all this has been the withdrawal, not only of their New York deposits, by Western banks, but the calling in of loans at home, from their own customers, until they have been obliged to realize on property held for a market, or for higher prices, because of the general inability of interior banks to get the mercantile paper they hold, re-discounted in New York. Not only has this compelled the wheat clique in Chicago to unload, as fast as possible, and not break their market from under them, but it has also forced the Minneapolis and Duluth millers to press their flour for sale at the East at reduced and losing prices, in order to raise money. This state of affairs only began to be seriously felt, the latter half of May; and, after the worst of the stringency in the New York money market had passed away. Nor is it likely that the money crisis in the West has yet reached its height, because it has affected every interest there, whereas it only affected directly the Trust stocks, in which the wildest sort of gambling had been going on, in properties of which nothing was known and which had largely been mismanaged by the insiders who had been unloading their shares on the public. Beside, the continued increase in the New York bank reserves, indicate that currency is still coming this way, from the West, in spite of the drawing of all available funds here, by Western banks, until call money here is a drug while high rates prevail in the West. A larger movement of grain from that section, the last week in May, to Chicago, and its shipment to New York, may relieve the situation somewhat; but the huge stock of 20,000,000 bushels of wheat held in Chicago by the clique, in addition to nearly as much more at Duluth, awaiting lake shipment, the coming month, has long tied up large amounts of money that are not likely soon to be released, so far as the Chicago stock is concerned, for the reason that if it was put on the market at once it would go to pieces, as Europe is not in any better financial condition than the West to anticipate future wants, even at the low prices now ruling for wheat. At all events, the bulk of the money to carry those huge stocks of wheat was said to have been borrowed last fall in New York at lower rates than could be secured in Chicago; in which case, it will come back to New York when released, instead of going into circulation in the West.

That there will be general relief afforded the West before the movement of the growing crops, is therefore doubtful, unless the

accumulation of idle money here shall continue, and confidence in credit be sufficiently restored to induce New York banks to re-discount paper for Western banks, before that time.

THE EASTERN MONEY MARKETS

all seem, however, to be drifting into a state of stagnation much earlier than usual, owing to the fear of banks to make time loans on ordinary collateral and mercantile paper even at good rates of interest, at the same time that they are unable to employ their funds on call at low rates. Speculation is dead, except by the professionals, after such a shaking down and tremendous losses as Wall Street has lately sustained, while the heavy shrinkage in values, since the collapse of the Reading-New England deal, the Whiskey pool, the Cordage trust, the sugar pool, and the decline in the whole list, calls for much less money to carry these shares than a month or two ago. The demand for call money is therefore at the minimum with the supply at the maximum; at the same time that the supply of time money is at the minimum with demand at the maximum, by parties who cannot put up such security as required by the banks. Yet the latter are affording their regular customers, who are entitled to accommodation, sufficient assistance to carry them over a period of slow collections and small sales, owing to the general dullness in trade, restricted credit and scarcity of money throughout the country. While this conservative policy is being pursued by the New York banks, in view of the continued exports of gold and their possible continuance, as well as of further interior bank and mercantile failures, there is a perceptible abatement of the scare of a month ago, in bank circles, since the depletion of the Treasury reserve has practically ceased, imports fallen off and exports promise to increase. Although we have exported more gold than ever before in five months, namely, \$60,000,000, the prospects are less favorable to their continuance, as Austria is now practically out of the European gold market, which will offset the drain from England to Australia, in consequence of the heavy and numerous bank failures which have continued in that British Colony nearly the entire month and raised the discount rate in London above that in New York.

RELATIONS OF CITY AND COUNTRY BANKS.

To show the changed relations of the city and country banks from a year ago, the following is quoted from the *Evening Post*:

The fact is that not only have the New York banks not used any of their influence to tighten the money market, but on the contrary the experience of their officers is that it is banks in the

South and West—the territory where the demand for free silver is the loudest—which have been seeking rediscounts to an unusual amount, and that the shrinkage in deposits which has been going on here for a year has been largely due to withdrawals by the same sources. On May 14, 1892, the deposits of the New York City banks amounted to \$530,706,000; on May 13, 1893, they amounted to only \$434,865,000, showing a decrease of \$95,841,000. As a consequence our banks were obliged to curtail their loans from \$492,053,000 on May 14, 1892, to \$420,827,000 on May 13, 1893. Where the loss of funds came from is shown in the following table made up from the reports of the National banks of this city to the Comptroller of the Currency:

	<i>Due to Depositors.</i>	<i>Due to Banks.</i>
July 12, 1892.....	\$277,500,000	\$233,600,000
September 30, 1892.....	277,700,000	201,300,000
December 12, 1892.....	285,100,000	189,700,000
March 6, 1893.....	285,800,000	193,400,000
May 4, 1893.....	286,900,000	168,400,000

In other words, while the amount of money placed in the city banks by their depositors increased \$1,100,000 between March 6 and May 4, 1893, the outside banks had withdrawn \$25,000,000. Moreover, the calls for rediscounts by interior banks in the last few weeks have been unprecedented. What this means is that there has been overtrading in the South and West, and that the issuing of paper money to pay for a vast accumulation of silver which is doing the Government no good is also doing no good to the districts where it has been most loudly called for.

THE FINANCIAL OUTLOOK.

Failures on the London Stock Exchange have been much like those on the New York Exchange among brokers in Colonial securities and in African mining shares, as were those here in the industrial, or gambling, rather than investment stocks. The losses, therefore, although enormous, are not so widespread, and further failures are less apprehended now than a couple of weeks ago. There has been little disturbance in other European financial centers and less in Eastern money markets, outside of New York, though there have been some industrial or manufacturing and commercial failures, which are still on the increase throughout the country. But Eastern banks generally seem in good condition; and, with few exceptions, at the South. With the National Treasury and Wall Street apparently over the worst, as well as our gold exports, on the decrease, the financial situation would therefore seem to be better in the East than a month ago, though offset by a worse condition in the West, which may or may not have reached its climax, as well as the effects of the Australian bank failures in London.

After such an earthquake as opened in the Stock Exchange,

with the collapse of the industrials, predicted months ago in this article, activity and strength cannot be expected to return in a day or week, if in months, for there is no public in these markets, and has been none for a long time, though a few outsiders bought on the first or second big break, only to get saddled with part of the holdings of the pools in time to see them reach and keep still lower depths. This has called the order for "buying on breaks"; and they are now waiting for a chance to "sell on a bulge." Those who have the industrial stocks, therefore, are liable to keep them until after the next session of Congress has decided their fate under a new tariff. In the meantime the members of the Stock Exchange can moralize on the duty of that body to protect the public, in the future, as it should have done in the past, against these Blind Pool Corporations, and exclude every stock from its list whose management does not make regular sworn statements of its condition and business. On the other hand, the public has received an object lesson, teaching that none but fools buy cats in bags.

THE RAILROAD SITUATION

on the other hand is more than usually favorable with as good traffic and less rate cutting than usual, though tariffs are in many cases low; but the tendency is to advance rather than reduce them in the Granger States where legislation against railroads seems to have expended its force, and a reaction to have set in, as shown by the advance in rates announced west of Chicago on grain to take effect this month. The "Harmony" enforced among the Trunk Line managers, by the Bankers' Safety Committee last December, seems to have been more permanent than usual, aided at this end of their lines by the appointment of a joint agent to take all grain freight at a uniform rate, fixed by a Seaboard Committee which apportions the traffic to each. With a fair surplus of last year's grain crops to come forward, and improved prospects for the growing crops, during the more favorable weather of the last half of May, together with increased travel to and from the World's Fair, the roads terminating in Chicago, at least, have very fair prospects for a good business the coming six months.

As to poor old Reading she seems destined to endure another "Reorganization" shearing as close as that of scarce ten years ago, which proved as worthless, except to the "Reorganizers," as will the next; and the patient and confiding stockholders who put up more good money in the future to save bad investments in the past, are likely to meet the same fate. It is buried under a mountain of debt and overcapitalization that can never be removed except by wiping out a large part of its "securities"

that are not worth the paper on which they are printed; and never will be, until Reading's rival coal producers shall have exhausted their mines, perhaps a quarter of a century hence. Another of these huge "Reorganization" schemes, that of the Richmond terminal, has been launched on the unsettled money market of the past month, like that of the Reading, after its late managers had used up or taken every dollar of its assets and borrowed money to pay expenses until it could borrow no longer.

CROP PROSPECTS AND PRODUCE MARKETS.

The two controlling influences in speculation and legitimate trade in produce have been first, the financial situation, and second the prospects of the next crops at home and abroad. The effect, direct and indirect, of the first of these causes, has been sufficiently explained above. The latter influence has been greater than usual, even at this season of "weather markets," for the reason that the crops of Europe, as well as of this country, have been subjected to most unseasonable though opposite climatic conditions for a greater part of April and May. Western and Northern Europe experienced unnaturally warm and dry weather through April and into the latter half of May, while America suffered from cold wet weather, for nearly the same period, except in the western half of the winter wheat belt, where it was dry until about May 1st, and had suffered from drought last fall and winter killing during March, until only about a half crop had been predicted in some of those States. During April, these bad prospects for the crops of both countries had been the chief influence, and had bulled the markets for breadstuffs, as both food and feed grains had been imperilled, causing a better export as well as speculative demand. But the bad financial situation has been the most important factor the past month, and prices have declined almost steadily under the pressure to sell the heavy stocks of wheat in face of improved export demand at reduced prices with the arrival of better supplies on the opening of canal and lake navigation. At the same time the Chicago clique tried to hold the market until the pressure of finances and of actual stocks became so heavy that they were obliged to stand back and let the market take its downward course, aided by rains throughout Europe and fine weather throughout this country the latter half of the month.

Fair average crop prospects are now generally admitted on both sides of the Atlantic; export demand has slackened as the outlook continues to improve daily, here and there, while the surplus left over from last crop is ample here and fair there. The provision markets have been held up by the Chicago clique as stocks were lighter than of wheat; yet speculation, as well as consump-

tion and exports, have been reduced to the smallest limit, while supplies of hogs have been moderate. The clique claim enough short interest to more than take the stocks off their hands as they did in wheat. Cotton has been as dead as provisions, as consumption in Europe is much less than usual, due to bad trade, ever since the spinners' strike or lockout in England was settled, while stocks of old crop there were larger than expected, as well as South, and nobody wants to carry them. The coffee speculation has collapsed since the failure of the Havre syndicate, and that market has been dead. The iron trade is depressed with everything else, and the coal trade in as good shape as could be expected in the situation of the late coal combination carrying companies.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Increase of Bank Examiners.—The new Comptroller of the Currency has made a noteworthy departure in increasing the number of bank examiners. The number has been quite too small for anything like thorough work. The banking system has had a rude shock within a few years, and there is less faith in the efficiency of bank examinations than formerly. Experience has proved that many of these officers are incompetent, and some of them are rascals. It is reported that the Comptroller proposes that examiners shall watch each other; that is to say, the same bank may be examined by different examiners at different periods. This may lead examiners to be more thorough in their examinations. Success in banking always must depend on the ability and honesty of those who conduct the business. Examinations may do something in the way of detecting irregularities, but it would be a great mistake for either bank officers or directors, or shareholders, or the public to place much reliance on such investigations. The business of a bank of any considerable size is too large and complicated to be examined thoroughly by any man, however competent and honest he may be, in the short space of time which he can give to it. Any one familiar with the banking business must realize how imperfect such examinations must be. The real security must be within, in the selection and maintenance of competent and honest officers.

Currency Per Capita.—We do not regard the amount of currency per capita as much of a test of the amount needed by the people. This depends far more on the number of banks, the system of deposits and the use of checks and bills of exchange. In

this country more than nine-tenths of all the payments are made in checks on National, State, private and savings banks and loan and trust companies. The National banks hold \$1,765,000,000 of deposits, \$1,758,000,000 is in savings banks and \$1,153,000,000 in State and private banks and loan and trust companies; in all, \$4,676,000,000, or about \$72 per capita, against which checks are constantly drawn and passed from hand to hand. The payments made in this way amounted to more than \$1,000 and probably more than \$1,500 for every inhabitant last year. By holding about \$600,000,000 in these banks to meet the balances daily arising, and by clearing houses at about eighty cities through which checks and drafts are constantly made to cancel each other, the efficiency of the money in circulation is enormously increased. The recent report of the mint contains some interesting figures concerning the circulation of money in different countries. They are as follows:

	<i>Gold.</i>	<i>Silver.</i>	<i>Paper.</i>	<i>Total.</i>
United Kingdom.....	\$14 47	\$ 2 63	\$1 32	\$18 42
France	20 52	17 95	2 09	40 56
Germany.....	12 12	4 26	2 16	18 54
United States.....	10 06	8 85	6 24	25 15

If the whole amount of money in each country were stated, including that in the Treasury and in the banks of England, France and Germany, the sums per capita would be about \$57 in France, \$36 in the United States, \$22 in Great Britain and \$20 in Germany. The circulation in this country in actual use outside the Treasury, about \$24 per capita, is greater than the whole amount existing per capita in either Germany or Great Britain. In France, where banks are little used and the people want to "touch the money" in every transaction, the \$40 per capita in actual circulation is probably of less use than \$5 in this country. In Germany, where banks are more used, and still more in Great Britain, there is somewhat greater economy in the use of money, and yet it is safe to say that \$18 per capita in either of those countries does not go as far as \$6 per capita would in the United States. In practical effect, when the methods of business preferred by the people of different countries are taken into account, the circulation in this country is probably five times as great as that in France, and at least four times as great as the circulation in Great Britain or Germany.

Growth of the National Banks.—The number of new National banks established during the past twelve months has not been quite so large as during some recent years, but makes on the whole a good showing. The total is 150 new banks, with a capitalization of \$14,325,000. The number for the twelve months ending April 30, 1892, was 176, with a capitalization of \$17,130,000. The list for the year just ended is the smallest of any year since

1888, and only half as large as that for 1890, but it is not far below the total for the year ending October 31, 1892, as may be judged by the following table of the number of banks organized and the capital stock for the nine years ending with October 31, when the annual report of the Comptroller is made up:

<i>Year.</i>	<i>No.</i>	<i>Capital.</i>	<i>Year.</i>	<i>No.</i>	<i>Capital.</i>
1884.....	191	\$16,042,230	1889.....	211	\$21,240,000
1885.....	145	16,938,000	1890.....	307	36,250,000
1886.....	174	21,358,000	1891.....	193	20,700,000
1887.....	225	30,546,000	1892.....	163	15,285,000
1888.....	132	12,053,000			

The West and South show the largest number of new organizations, as in all these reports for several years past. Pennsylvania and Iowa stand at the head of the list in the number of new banks, with fifteen each, and Ohio stands at the head in capitalization, with \$1,895,000. Texas is up with Ohio in the number of incorporations, however, and Indiana is close on her heels, with ten new institutions. The comparison in this regard is not so striking for the year which has just ended as for some which have preceded, as the older States of the Middle-West have incorporated an unusual number of new banks during the past year. Ohio, Illinois, Indiana, Michigan and Wisconsin have incorporated thirty-eight new institutions; the States east of Ohio and north of Maryland have incorporated thirty-six; the Southern States twenty-seven and the Northern States west of the Mississippi, including the Territories, forty-nine. The growing wealth and solidity of Wisconsin, Ohio and Illinois are shown by the large capital of the new banks which they have incorporated. The following table gives the number of new institutions and the capitalization by States:

<i>States and Territories.</i>	<i>Number.</i>	<i>Capital.</i>	<i>States and Territories.</i>	<i>Number.</i>	<i>Capital.</i>
Maine.....	4	\$210,000	Michigan.....	1	\$100,000
New Hampshire.....	2	150,000	Wisconsin.....	6	1,600,000
Massachusetts.....	5	550,000	Iowa.....	15	800,000
New York.....	8	850,000	Minnesota.....	7	550,000
New Jersey.....	2	150,000	Kansas.....	4	250,000
Pennsylvania.....	15	1,375,000	Nebraska.....	4	200,000
Maryland.....	1	50,000	Colorado.....	2	100,000
Virginia.....	1	200,000	Montana.....	2	150,000
West Virginia.....	4	200,000	Wyoming.....	1	50,000
North Carolina.....	1	50,000	North Dakota.....	1	50,000
Florida.....	2	150,000	South Dakota.....	1	50,000
Alabama.....	1	50,000	Washington.....	4	250,000
Texas.....	12	835,000	California.....	3	250,000
Kentucky.....	2	150,000	New Mexico.....	1	50,000
Tennessee.....	1	60,000	Arizona.....	1	100,000
Missouri.....	2	300,000	Oklahoma.....	2	010,000
Ohio.....	12	1,895,000	Indian Territory.....	1	50,000
Indiana.....	10	750,000			
Illinois.....	9	1,600,000			
				Total.....	150 \$14,325,000

Collapse of the Industrials.—This was to be expected. Doubtless many are considering what new scheme will next be floated to catch the thoughtless investor. Most of these industrial stocks

were created for several reasons. In some cases, like the sugar refiners, competition was exceedingly sharp, and their prime object was to destroy this and to make more money. In other cases, however, the chief reason was that the concerns were not especially profitable; they had seen their best days, but their hollowness was not known to the public, so they were organized into schemes of this nature for very much more than they were worth; in due time this has been found out and the end has come. The country now is strewn with these wrecks. There is no reason for extending sympathy toward the investors. They were constantly warned of the nature of these enterprises. They were told that the properties thus organized were heavily watered. The original holders have doubtless sold most of their stock and got their money, and the innocents have the experience. Both, therefore, should be satisfied. Railroad bonds have gone through a similar history. In the beginning they were regarded as a safe investment because they represented only a part of the value or cost of a road. Then the practice was extended of paying for a road more largely from this source until the modern practice is, wherever possible, to build the road almost wholly on bonds. In many cases, therefore, roads have failed, the bonds have been worthless, or partly so, until to-day the bond of a new railroad company is by no means a favorite investment. This does not apply, of course, to bonds of completed roads and which are earning dividends and which have a successful history. Having exhausted that scheme of money-making the experiment has been tried and exhausted of organizing industrial enterprises, as above explained, into corporations and of unloading them on the public. Probably this business has now come to an end, and one is curious to know what will be next tried. The speculative genius is never asleep, and a new crop of gudgeons will doubtless appear in a few months or years ready for fleecing. The New York daily *Commercial Bulletin* has the following thoughtful remarks on the subject :

The average business man has learned a much-needed lesson from the recent collapse of the industrials. It is now better appreciated than at the time of their conception that these concerns were chiefly organized for speculative ends, and that the much-vaunted economies of combination were usually used as mere pretexts to aid in the marketing of enormous quantities of watered stocks. Thus it follows that monopolies are becoming as much in disfavor among investors as with the public in general; and it is at last discovered that even within the scope of good and legal intentions there is a limit to the efficient concentration of capital, particularly where industries are necessarily scattered over wide areas of territory. Of late several comprehensive trust schemes have died while in the contemplated stage, simply because the owners of interested properties have profited by the experiences witnessed in the Whiskey, Cordage, Sugar, Lead and other companies, and refused to

"come in." They have less fear, we regret to say, of hostile legislation than of surrendering their properties to the loose and uncertain methods of trust financing.

Corporation methods applied to large business concerns undoubtedly possess many great advantages in the conduct of business; and yet, as everybody knows, a majority of the collective establishments put on the market within the last few years have been sold or capitalized at several times their actual value, relying entirely upon monopoly profits to pay dividends on watered stock. Had it not been so, the original holders would never have parted with what had cost them years of labor and expense to establish, unless on the verge of bankruptcy. The fashion in marketing these industrial stocks has been to present a statement of profits over a series of years. This made ownership in them seem highly desirable to the uninitiated, a fact not lost sight of by the sellers who assumed to be doing the public a favor in admitting it to partnership.

Perhaps the would-be investors will settle a few points on these matters for themselves in the future. In the case of mercantile corporations they will learn to consider the possible value of their holdings when the brains which built up the business are lost or diverted to other and possibly competing interests. They will more fully take into consideration the cost of duplication in comparison with present capitalization. They will learn to form more intelligent opinions of the chances of new competition. They will have awakened to the fact that established commercial organizations much more than railroad and manufacturing concerns depend upon individual skill and judgment; and consequently that a high and risky value is always charged for that very intangible and unstable element—good will. They will be obliged to consider the speculative advantages which the original stockholder gains over the new stockholders in a business new to the latter, and the inside of which they know practically nothing about. They will begin to measure the consequences that would result from the original vendors starting new competing concerns at the expiration of their service contracts, on smaller capitalization, and with new improvements that would ruinously handicap the old over-capitalized concerns under less skillful management.

These and many other risks ought to suggest themselves to the prudent investors. We have already had very forcible illustration of what the banking fraternity think of such stocks as collateral, and of the unwise concentration of credits which the industrials have often practiced. As the defects of these unwieldy combinations develop the certainty of final disintegration becomes more and more apparent; and when that process begins demoralization will inevitably accompany it. We leave the deluded holder of trust investments to calculate what his certificates will represent when the combination is divided again into its original or other parts.

No doubt this process of turning large business concerns into joint stock enterprises will go on uninterruptedly; and on sound methods it may in many cases prove advantageous that they should. In the light of recent experience, however, it cannot be shown that the so-called industrials ever deserved public confidence, and it may take some years of sound management to offset the discredit which a few months of unscrupulous speculation has very justly brought upon them.

Mexican Finances.—The special report in which Minister Ryan has informed the State Department of the proposed new taxes in Mexico on henequin and coffee contains an interesting summary

of the Mexican budget. The loss of the crops during the past two years, and the depreciation of silver, have greatly detracted from the industrial development of the country. During last year there was a deficit of \$3,356,405, notwithstanding the receipts were \$39,993,734, and were in excess of the estimates. The estimates from the same sources of revenue for the next fiscal year yield only \$37,500,000, and a system of imposts lately decreed is expected to add \$4,300,000, raising the revenue to \$41,800,000. The new imposts are as follows: Federal contribution, \$800,000; various modifications, stamps, etc., \$400,000; tobacco tax, \$400,000; tax on successions, etc., \$300,000; tax on insurance, \$150,000; tax on alcohols, \$350,000; predial imports, \$300,000; modifications of the customs tariff, \$800,000; mining properties, \$200,000; Mexican Mint, \$600,000. These items go to make up the deficit which is expected from the bad crops, but they are not sufficient to fully cover it. The estimated expenditures are \$44,535,380, making the deficit, even with the additions mentioned, of \$2,735,380.

Loans cannot be placed because of the injury to the credit to the Southern countries by recent occurrences in South and Central America, and because the cheapening of silver would create difficulty in arranging the terms. Modern economic experience is against such an export tax as they propose on coffee and henequin, but they declare that such taxes have not injured the export trade in the case of the nitrates of Chili and Peru, nor that of the sulphur, wines, and silks of Italy. Henequin can be produced only in certain localities, and its quality enables it to resist the competition of any fibre. Other countries have imposed heavy export duties on coffee, and with the rapid development of coffee-growing in Mexico, evil results are not to be feared. The report adds a conclusion of considerable interest to American consumers, in view of our retaliatory policy against countries which do not offer us tariff concessions. The language used by Minister Ryan is as follows:

Finally, if it is true that the consumer is the one who meets indirect imposts, such imposts, while not endangering determined exports, will be paid, at least in great part, by foreigners, thus securing a favorable result—an increase in the number of taxpayers.

The estimated exports of henequin for next year are 556,337,719 kilograms, which will yield a revenue of \$338,026; and the estimated exports of coffee are 11,058,279 kilograms, which will yield \$331,748 in export duties. The Republic of Mexico has given no pledge to the United States to refrain from the levy of export duties, but she has made no concessions whatever to the United States for the supposed benefits of the free entry of sugar and coffee, and has raised her tariff on many articles of import from this country. The State Department is already considering the subject

of a protest to the Spanish Government against the tax on production levied on all Cuban sugar, and if Mexico is to levy an avowed export tax, it would seem that a protest should be addressed to her Government, unless the reciprocity policy under the third section of the McKinley bill is to be abandoned.

THE AUSTRALIAN BANK CRISIS.

The Australian bank crash has been a hard test for some methods of banking. Most of the banks conducted their business on the Scotch system, which combines with the usual business of discount and exchange the granting to traders and others of advances by cash credits and loans for the development of industry. In their earlier days this business was carefully conducted, and the capital thus employed yielded a profitable return, but during the last twenty years the banks have departed from their old ways, and have made advances on securities which could not be readily sold. Going back to 1880, the advances of all the banks in Australia, in all the Colonies, amounted to £58,000,000, and the banks, as a whole, conducted this business without becoming borrowers in England. In 1892 those advances were £141,000,000, an increase of 143 per cent., and on this latter date their deposits in England amounted to about £43,000,000. If the trade of the Colonies had expanded in like proportions, one could only have pointed to this wonderful increase as phenomenal, but in 1880 the exports of all the Colonies to parts beyond the seas amounted to 30¼ millions, and in 1891—the latest reliable returns available—those exports amounted to 44 millions, an increase of 43 per cent. We come to the conclusion, therefore, that the mercantile trade in Australia has not necessitated the phenomenal increase in banking business. The advances by the banks are all within the Colonies, and the greater proportion of the increase in their advances can only be explained by a departure from the old-established rules of banking by making loans on property at long dates, or on securities which could not be realized over a period of time too serious to contemplate from a sound banking point of view. The profits in the business led to excessive competition, and the country is heavily over-banked. There are seventeen hundred branch banks, and it is said that less than one-half of this number would suffice. In every village two or three of these branches may be found with hardly enough business for a single office. These branches add no small sum to the cost of management without adequate profits. In some cases from fifty to sixty per cent. of the gross profits have been absorbed for management. If to this a reasonable

amount of unavoidable loss is added, the balance remaining is too small a return for the risks taken.

Many of these banks had a subscribed capital that largely exceeded the amount paid. It is believed in England that this system adds to the solidity of an institution. The total amount is liable for the debts of creditors, but a smaller amount of ready capital is worth far more than a larger amount which may be squeezed from the shareholders after a collapse. A bank, therefore, with a subscribed capital of a million dollars, only half of which is paid, is no stronger than a bank that has only the smaller sum in use.

These failures are a shock to the system of branch banking. Doubtless if these branches had not thus been connected three-fourths of them would not have gone down in the general crash, but when the parent bank of such a system fails all the branches are sure to collapse. It is true that even when branches do not exist, banks may become so dependent on one another through a system of re-discounts and deposits that a failure of the principal institution may bring down the smaller. We have recently been treated to an experience of this kind in our own country.

The people of Australia have been doing things with a high hand for a number of years, and this crash was by no means unexpected. Perhaps things have not been quite so badly managed there as they were in the Argentine country under the stimulus given by the Barings, but they certainly have borrowed with a very free hand. They have discounted the future for many years. New South Wales has a public debt of about \$250 for every man, woman, and child in the colony. Eighty-seven per cent. of this has been incurred in the construction of street and steam railways, telegraphs, water supply, sewerage, docks and wharfs. The revenue from taxation is about \$14 annually for each person. Victoria with about the same population has not much less debt, but more taxation. The two colonies have about the same railway mileage, in proportion to population, that the United States has, but the United States has a much more rapidly growing population, and its resources are more varied and substantial. The cost of construction, too, has been greater in Australia than here. Land speculations have been carried on to an enormous extent, and in every direction money has been borrowed and spent as though the population was doubling every decade and business was rapidly expanding.

Particularly is it true that the banking business has been overdone. Large sums of money, much of which was obtained in Great Britain, have been invested in this business, and an astonishing number of branches of the parent banks have pushed the business in every direction. Last year there were in Victoria alone fifteen banks of issue which had 550 branches and agencies,

with a paid-up capital of about \$62,000,000. The Australian Joint Stock Bank, which failed with \$55,000,000 of liabilities, owed \$20,000,000 in England. The National Bank of Australasia, which failed, owed its depositors \$45,000,000, 15 per cent. of which was owed in England. The banks of New South Wales lately held \$175,000,000 of deposits.

Prudent British capitalists, who have been afraid to invest in American securities, have put their money into Australian bank shares, and after several years of depression in several of the Colonies a general collapse of the banking system has come. It is not improbable that these experiences will turn the attention of the British investor more to the United States for the investment of his resources.

ON SOME RECENT ASPECTS OF COMPETITION.

[CONCLUDED FROM THE MAY NUMBER.]

Another consequence of the low margin of profits is that many producers, discouraged with such small returns for their risk and efforts, are forming trusts or combinations for the purpose of increasing them. This movement need not be described. The remark may be made, however, that whether a trust is justified or not depends on the creative motive and the mode of executing it. A trust or monopoly is not absolutely wrong, but becomes wrongful if excessive profits are exacted. When a trust is formed for the purpose of protecting producers, and enabling them to get only a fair profit on their products compared with the profits derived on other things, no injustice is done, and no one has a right to complain; but whenever a trust is formed for the purpose of extracting the largest possible profits, without regard to those acquired by others, then the undertaking cannot be justified in law or morals.

Another consequence of these combinations must not be overlooked. The production and prices of many things are controlled by companies of this character. The profits are excessive because the prices have been unduly raised. The margin of profits in such cases, therefore, is unjust compared with the profits in other industries in which keen competition exists. Those, therefore, who are not united in monopolies of this character suffer more than they did before in consequence of the higher prices which they are obliged to pay for the things they need. Thus the general inequality of profits is greater, probably, than it was a few years ago. The consumer realizes this inequality, but not in the same way as the producer. The laboring man, for example, must

pay more for his sugar, but he gets no more for his work than before, and, therefore, is a loser by the change. It might easily be shown how producers who are obliged to buy articles produced by the trust get no more for their products than before. They clearly, therefore, are the losers by this new change which has come in methods of production.

Another change, often affecting profits in consequence of the low margins now prevailing, are laws—local, State, and National. We have not in mind here those which are enacted expressly for the purpose of protecting production or exchange. Their effects have been so long and fully considered that it is quite unnecessary to consider them in this place. We refer more particularly to other laws, like those relating to local taxation for example. In many places manufacturers are tempted to locate and build plants by the offer of freedom from taxation for a given period. Whenever such an offer is made and accepted, of course the manufacturer has a clear advantage over a competitor who is obliged to pay local taxes like other corporations or individuals. The release of taxes is intended as an advantage to the manufacturer, and in most cases, doubtless, proves to be one. And this is retained because competitors are unable to obtain a similar one from the localities in which they happen to live. If the margin of profits was large this item would not be worth considering, but since it has run low the advantage may enable producers who have the benefit of it to make a fair profit, while other competitors not thus favored may continue business without any profit whatever, or even at a loss.

Another advantage consists in the bounties offered to manufacturers in the way of constructing buildings, or the gift of lands or other advantages of a similar nature. Such advantages are bestowed in many cases, and whenever they are, of course the manufacturer has a decided advantage over the competitors who can obtain no such favors from the community in which they happen to live. These bounties or advantages are often great enough to draw manufacturers away from one place to another, and which would not happen if the margin of profits was high enough to satisfy the manufacturer; but now, that the margin has run so low, he must miss no opportunity to acquire gain from every source, and so offers of this kind are accepted.

Again, in cities or places where no such special exemptions or bounties are offered, manufacturers may obtain a considerable advantage over others whenever the expenses of the local government are light and only a small tax is exacted in proportion to that paid by competitors in other places. Not many years ago the city of Elizabeth, in New Jersey, introduced a system of improvements consisting of sewered and paved streets which were very

costly, and, furthermore, were a burden to a comparatively few because only a small number resided there at that time. The inevitable consequence was a tax rate that was exceedingly high, and this operated at once to prevent manufacturers from going there. It was supposed in the beginning that by thus improving the town it would be an attractive place for manufacturers and all who desired the benefits of a suburban city, but the high tax rate repelled them from accepting or enjoying the benefits of a city. Thus the improvements, from a local point of view, failed. Manufacturers went elsewhere because they were unwilling to be burdened by paying heavy taxes. Some of our local governments are finding this out, and are practicing more economy in order to retain and to draw manufacturers into their cities.

The influence of speculation on production has been often considered, therefore the subject need not be considered here. Such are some of the influences affecting competition at the present time. None of them would have been regarded as potent influences a few years ago, but they became operative and powerful because profits have run down to a narrow margin. All kinds of business are affected in this manner. The great service of production, which is in every respect highly useful, and which should be rewarded, is filling the world with great anxiety and often bankruptcy.

From one point of view it will be seen that the difficulties surrounding production and exchange arise from the desire of those engaged in these ways to get more than their due share of the profits of these transactions. If each one was intent only on producing and exchanging on equal terms there would be no serious trouble, but men are selfish the world over, too often they are seeking to get more than their share, so the difficulties follow which have been described. A little deeper thought would lead any one to see that unequal exchanges must end in heavy losses and bankruptcies; that it is not possible for them to continue unequal without this result. If one is getting more than the other from exchange, and this continues long enough, by-and-by one will have all and the other nothing. From this end there is no escape.

It may be inquired then, how are these difficulties, from which this country and other countries are at present suffering, to be remedied? We do not pretend to have a keener insight into things than others, and therefore able to discover any other remedy than that which has been applied so many times before. When profits are excessive in production or exchange others are tempted into these pursuits, which leads to excessive competition, and then buyers or consumers have their innings for a season. The day of low prices comes, but that day cannot possibly be permanent. Excessively low prices means bankruptcy, ruin, and, finally, com-

ination; when this comes the cycle is complete, and then the old drama is repeated. For some months our country has been passing through a stage of very considerable depression in production. Prices have been very low, and bankruptcies have been numerous and heavy. We seem to be now on the eve of a change, and combinations of various kinds are the order of the day. If these new companies repeat the folly of their predecessors and attempt to extort the last cent from consumers, then they will speedily invite a fresh crop of producers with whom profits must be shared. Wisdom plainly teaches that if they wish to make the most in the long run the safest policy is that of reasonable prices, but whether wisdom will overcome greed remains to be seen. The desire for a present lower good has, in all ages of the world, overcome the power of men to wait for a higher future one, and, doubtless, the same desire will be as effective now as it has been in the past.

Is it not singular that the service of production, which is one of the most essential to human existence and happiness, should be affected in such extraordinary ways? This is the strange outcome of reliance by man on his fellows for things desired, instead of producing them himself. Yet, on the whole, the gain to modern society by these exchanges is undoubtedly great, though disappointing. The long series of evils that we have described have followed. What will be the end?

STATE BANK SYSTEMS.

[CONTINUED.]

The Second United States Bank.—The State banks were not alone in opposing a charter for the second United States Bank; the speculators in exchange, whose influence was very powerful, were opposed to it. The amount of exchanges then effected annually was computed at \$60,000,000. The dealers in exchange were reaping a rich harvest from the depreciated money in circulation; it was not surprising, therefore, to find them opposing an institution which, if successful, would relieve the community of the enormous tax paid to them and utterly destroy their business. Notwithstanding the opposition to the measure, a charter was granted in January, 1815, but President Madison vetoed it, not for lack of constitutionality—a point which he regarded as settled by the courts—but for other reasons. Though the first charter failed, another was passed the next session, which the President signed without hesitation. In the meantime, Dallas sought to induce the

State banks to resume specie payments, but without success. In New England the desire of the banks to return to them was very strong; indeed, they professed to pay gold and silver. In truth, they issued only a few notes, and the wants of the people were largely supplied with Treasury notes.

The bank was to exist twenty years; the capital was fixed at \$35,000,000, one-fifth of which was to be furnished by the Government. Its subscription was payable in coin or in its own 5 per cent. stocks. Other subscriptions were payable one-fourth in coin and the remainder in coin or public stocks. Five of its twenty-five directors were to be appointed by the President. The bank was to keep the Government deposits and to aid in negotiating its loans without charge. Branches were to be established, and its notes were to be receivable in all payments to the United States. In consideration of the grant, the bank was to pay a bonus to the Government of \$1,500,000 in three installments.

The object of establishing the bank was mainly threefold. First, it was expected the bank would restore specie payments, which had been suspended. Secondly, as the paper money then in circulation was not redeemable in specie, and passed at varying rates of discount, subjecting the Government and individuals to varying losses, it was expected the bank would remove this difficulty. Thirdly, the bank would provide the country with a monetary medium possessing equal value everywhere, which was not the case with the bank notes then in use.

The task confronting the bank was stupendous. Bank notes at Washington and Baltimore were 22 per cent. below par; at Philadelphia, from 17 to 18 per cent.; and at New York and Charleston they were from 7 to 10 per cent. In the interior the depreciation was much greater. As soon as the bank opened, the Secretary of the Treasury directed importers to lodge their bonds with it. The bank agreed to make the discounts necessary to pay them, or rather the notes given for the duties, to secure which the bonds were taken. Congress resolved (April 30, 1816) that all duties, taxes, and debts payable to the United States after the 20th day of February, 1817, should be paid in the "legal currency" of the Government, or Treasury notes, or those of the Bank of the United States, or of other banks which were paid on demand "in the legal currency of the United States." The banks also agreed to resume specie payments in July, 1817, but neither Crawford, who was Secretary of the Treasury, nor the United States Bank, had much faith that they would fulfill their agreement. Both the Government and the bank were desirous of hastening the return of specie payments, and the latter began negotiations to that end. One consideration moving the bank to do so was that, if it succeeded, the obligation which it had incurred of discounting all the

bonds of importers would be very much diminished, for if the State banks paid in specie, their notes would be readily taken by the Government; on the other hand, if they refused to make an arrangement, a large amount of valuable paper for discount purposes would go immediately to the National bank; thus they would lose many of their best customers.

As a result of this community of interests, a plan was devised for resuming February 20, 1817. On that day the balances in the several banks belonging to the Government (for ever since the closing of the first National bank the deposits of the Government had been kept with the State banks) were to be transferred to the Bank of the United States, and retained by it until the 1st of July, when they were to be paid, with the interest thereon. In liquidating the balances which might be due, the United States Bank agreed to credit the banks respectively with the amount of their checks on banks which were parties to the agreement. The payment of the balances which might accumulate against the banks subsequently to the transfer of the balances previously mentioned from the payment to them of Government dues in return for money previously borrowed, was not to be demanded by the Bank of the United States until it and its branches had discounted for individuals other than those having duties to pay subsequently to the 19th of February, certain specified sums in various places, provided the money was wanted within sixty days by persons who should offer good security. If the whole amount should not be desired by lenders, then the balance was to be lent to the banks signing the agreement. Such is the outline of the plan for restoring specie payments adopted on that occasion.

When the bank began business, eighteen branches were established in the different States. But the notes of the National bank were everywhere received in payment of duties and other taxes to the Government, without reference to the place of issue, and were redeemable in specie at the bank or any of its offices. In those places where the medium of exchange was composed of inconvertible paper, it was evidently the true policy of the National bank to contract such circulation, either by demanding payment of it in coin or by refusing to receive it. Unhappily, it pursued another policy, from which no little inconvenience was experienced.

The plan adopted for restoring specie payments was successful. They were maintained, too, while the bank existed. But to do this the National bank was required to make heavy sacrifices. Specie was imported on several occasions at heavy cost. A writer who was strongly opposed to the United States banks, and who contended that "the people were at work accumulating the means necessary to meet their engagements," and that "the currency

would have soon become sound and uniform" in 1791 and 1817, admitted "that the establishment of the banks may have accelerated the resumption of specie payments in both cases." And this was the very least that could be said by an opponent concerning the great work of the bank in resuming specie payments. In order to maintain them it was necessary for the bank, in 1819, to contract its discounts and to demand specie from other banks—a movement which led them to reduce their discounts; and this change of policy, which could not be avoided, caused sore distress throughout the country. During the years 1815-16, the bank circulation increased to \$110,000,000, while in the year 1819 it was reduced \$65,000,000—a reduction of 59 per cent. This was truly an enormous contraction, and the evils flowing from it were undisputed.

Another very important function performed by the bank was in equalizing the rates of domestic exchange. Of course, its success in this regard was not pleasing to the dealers in exchange, who were thereby deprived of their business. The circulating medium which it furnished to the country was, says McDuffie, actually more uniform than specie. Funds could be transported from one part of the Union to another, through the aid afforded by the bank, at an expense not exceeding one-half, and frequently less than one-quarter, of the cost of carrying silver. "Upon the whole," says a committee of Congress who investigated the condition of the bank in 1830, "it may be confidently asserted that no country in the world has a circulating medium of greater uniformity than the United States, and that no country of anything like the same geographical extent has a currency at all comparable to that of the United States on the score of uniformity."

When Jackson became President, his hostility to the bank soon appeared. He desired the removal of the deposits on the ground that they were not safe. The Secretary of the Treasury, Ingham, thought otherwise, and was unwilling to remove them. His successor, McLane, entertained a similar opinion. The President promised Duane that if he would accept the office left vacant by McLane's resignation, he should not be asked to remove them against his own judgment, but hardly had he begun his duties when the President introduced the subject. Duane soon made known his unwillingness to remove the deposits, and the President was utterly unable to bring any reasons cogent enough to change the secretary's mind. Congress had investigated the matter, had declared they were perfectly safe, and the opinion of that body and the sentiment of the country generally were strongly in favor of suffering the deposits to remain with the bank. But President Jackson's will was never subdued or thwarted by contrary opinions. He insisted on Duane's removing them. Duane refused. The Presi-

dent then asked him to resign. He declined. Then the President removed him, and put his attorney-general, Taney, into the Treasury office. Taney obeyed the wishes of his chief. The deposits were transferred to other banks. Congress pronounced its judgment on the proceeding, condemning it in the strongest manner. The judgment thus expressed was shared very generally by the country.

[TO BE CONTINUED.]

CERTIFICATE OF DEPOSIT.

COURT OF APPEALS OF NEW YORK.

Read v. Marine Bank of Buffalo.

The payee of a certificate of deposit, who has not the possession, and who confesses his inability to surrender it on payment, cannot recover against the bank, when it appears by his own showing that the paper is not lost, but is in the hands of another, though wrongfully, who produces it on the trial, but refuses to surrender it, and claims title to it in hostility to the payee.

The death of the holder of the certificate, and a contest over her will, give the payee no right to sue the bank, as he can still proceed against the temporary administrator to recover the certificate; and, even if the payee's right to prosecute such an action is in abeyance during the contest of the will, the inconvenience must be borne by the payee, who alone is responsible for the safe-keeping of his certificate.

Code Civil Proc. § 1,917, which authorizes a recovery on lost negotiable paper if indemnity is given, does not apply to a case where the paper is not lost, but in possession of a third person, claiming it in hostility to the payee's title.

A decision by the Court of Appeals in favor of the payee, in a former action against another bank, on another certificate of deposit taken from his possession under similar circumstances by the same person who claims title to the certificates in suit, is not conclusive of the present case, when it appears from the record in such former action that the evidence failed to show that the holder then claimed title in hostility to plaintiff, but, on the contrary, that she had recognized the payee's title by promising to return the certificate, which was actually in the payee's possession at the trial. (17 N. Y. Supp 326, reversed.)

MAYNARD, J.—The certificates which the plaintiff received from the defendant when he deposited the moneys which he seeks to recover in this action possessed the attributes of negotiable paper, and were transferable in the same manner. Construing the defendant's contract according to the rules of commercial law, it was not bound to pay the deposit, except upon the production and surrender of the certificates properly indorsed. When the action was brought and tried, the plaintiff was unable to comply with the implied stipulation in his contract with the defendant, which required a tender of the certificates before payment could be exacted. But performance of an impossible thing was not demanded, and the law imported into the contract an exception that, if the paper had been actually lost, and he did not know, and could not reasonably be expected to ascertain, where it was, or if knowing of its existence, it was beyond his power to reclaim it by any lawful method of procedure, the defendant would not be discharged from liability, but a recovery could be had by making substantial indemnity at the trial. The plaintiff's embarrassment is due to his inability to estab-

lish his *status* as the owner of lost negotiable paper. It appears from the undisputed evidence that these certificates are not lost, in the legal signification of the term. They were received by the plaintiff at a time when his sister was living with him, and it is alleged in the answer, and some proof was offered, and excluded, to show that they then held their property in common, and that she had an interest in the moneys deposited. Upon a subsequent separation growing out of family differences, she took the certificates away with her, and claimed that in making the deposit her brother had acted as her agent, and that they rightfully belonged to her. Whether this claim was meritorious or fabricated was of no concern to the defendant, and cannot affect the determination of its rights. They may have in fact been abstracted from the custody of the plaintiff by the commission of a larceny, and if he knew where they were, and by the exercise of superior diligence could have recovered their possession, he cannot impose upon the maker the risk of a litigation with a stranger, involving the question of ownership, in which the possession of the certificates would be some evidence to support a claim of title. The plaintiff appears to have taken this view of the obligation of the parties, for in 1885 he brought an action against the sister to recover the possession of the certificates, upon the trial of which she produced them before the referee, but no decision had been reached when the action abated by her death. Her will was probated after a contest, and letters testamentary issued to her husband, and the certificates passed into his possession, and he claimed to hold them as the representative of her estate, and gave the defendant notice of his claim. The decree of probate was reversed upon appeal, and the authority of the executor suspended, and a new trial at the circuit ordered, which had not occurred when this action was brought. Upon these facts the case is not distinguishable from *Van Alstyne v. Bank*, 4 Abb. Dec. 449. The suit there was to recover the amount of a draft alleged to have been lost, but shown upon the trial to be in the possession of a bank in West Virginia, which had obtained it by means of the forged indorsement of the payee, and which refused to deliver it to the plaintiff. Recovery was denied, although it appeared that the paper was beyond the jurisdiction of the courts of this State; and it was held that the plaintiff was bound to resort to the courts of the foreign jurisdiction or to the Federal tribunals, which were open to him, to recover possession of the instrument, if it was wrongfully withheld, and place himself in a position where he could surrender it to the bank, before he could compel it to part with the money represented by the absent draft. It is there stated that exhaustive research has failed to find any reported case, or any statement in any treatise upon the subject, which sustains the proposition that payment can be required under such circumstances.

There were no insuperable difficulties in the way of the plaintiff's recovery of these certificates. His action for that purpose against the sister could have been revived and continued after her death by the substitution of the executor as the defendant, or, if his authority was suspended during the contest over the will, a temporary administrator could have been appointed, and made the party defendant. A still more direct and effective remedy was within the plaintiff's reach. He might have brought an action against the sister and the bank, joining them as parties defendant in the same action, and demanding judgment that she be required to surrender the certificates to the bank, and that upon such surrender the latter be required to pay the amount of them to the plaintiff. Such an action is proper when the surrender of the instrument is a condition of the right to enforce payment, and the paper

is in possession of a wrongdoer, who refuses to deliver it to the payee, and the maker admits his liability to pay upon receipt of the evidence of his obligation. (*Thomas v. Thomas*, 131 N. Y. 208.) In such controversy the defendant bank could have stood indifferent, and could have protected itself, even against a liability for costs, by paying the money into court, and abiding its decision as to the lawful ownership of it. Even granting that the plaintiff's right to bring or prosecute an action in either form was held in abeyance during the pendency of the contest over the will, it would not afford a sufficient reason for the maintenance of an action meanwhile against the bank alone. The inconvenience, if any, resulting from the situation, must be borne by the plaintiff, and cannot be cast upon the defendant, which was in no wise responsible for the safe-keeping of the certificates by the plaintiff.

The provisions of the Code (section 1,917), authorizing a recovery upon lost negotiable paper if indemnity is given, do not relieve the plaintiff of his difficulty. A bond is not required or authorized as a condition precedent to the right to bring suit, but, if it appears upon the trial that the instrument is lost, the plaintiff may still recover upon executing the required undertaking, to be approved by the trial judge. Here the loss of the paper was not shown at the trial, but the contrary affirmatively appeared, for the certificates were present in court, having been produced by the executor under a *subpœna duces*. The action of the court in summarily depriving the witness of the custody of the certificates, and impounding them pursuant to its direction, cannot affect the legal rights of the parties. They are still constructively in the possession of the executor, and the order of the court requiring him to deposit them with the clerk cannot be made to perform the functions of a judgment and execution in an action of replevin.

This appeal was twice argued at the general term. (8 N. Y. Supp. 364, and 13 N. Y. Supp. 855.) Upon the first argument, the judgment was reversed for substantially the same reasons we have here given. Subsequently the plaintiff's case against the Bank of Attica, depending upon a certificate like those here involved, and taken from him by his sister under similar circumstances, was decided in his favor by this court in the second division. (124 N. Y. 671, 27 N. E. Rep. 250.) A re-argument was thereupon ordered by the general term, because it was claimed that the decision in that case was controlling. Upon the second argument it was held that the Bank of Attica Case conclusively established plaintiff's right to recover, and the judgment at the circuit was affirmed. A careful examination of the record in *Read v. Bank of Attica* fails to show that it is in any respect decisive of the important questions presented upon this appeal. There were but two exceptions taken in the course of the trial—one to the exclusion of evidence, which was inadmissible under the pleadings, and the other to the direction of a verdict for the plaintiff. The latter exception was not well founded, for upon the proofs the plaintiff was entitled to recover. The defendant conceded that there was no question of fact for the jury, and it did not ask for the direction of a verdict in its own favor. All the material testimony was given by the plaintiff himself, who, it seems, had the certificate in his possession when upon the witness stand, although it had been brought into court by the executor under a *subpœna*. The plaintiff testified to the deposit of the money, and the issue of the certificate, which was then read in evidence. Its non-payment was not disputed. The plaintiff's case was then fully established, and he was entitled to the direction of a verdict. It is true that it also appeared from the plaintiff's testimony that the certificate had been taken by his sister, and that she had promised to return it, which was a recognition of his title; and

the production of the certificate by the executor in court, and the delivery of it to the plaintiff, were facts from which the inference might be drawn that his possession was in subordination to the plaintiff's title, and not in hostility to it, in the absence of evidence of a claim of title on his part. We have here an entirely different record. The plaintiff called the executor as a witness, who testified that he had the certificates in his possession, but declined to produce them, unless directed to do so by the court, which direction was given, but it was entered upon the minutes that he did not produce them as the property of the plaintiff. The certificates were then offered in evidence, and objected to on the ground that plaintiff was not in possession of them, and could not surrender them upon their payment. The objection was overruled, and an exception taken. The executor further testified that he had been in possession of the certificates since June, 1887; that he received them from his wife; that she produced them before the referee in 1886, in the action brought by plaintiff against her, who then made copies of them; that she took them away, and upon her death they came into his hands as her executor; that he had held them ever since, and was not willing to surrender them to the defendant if payment should be made to the plaintiff. The plaintiff testified that he had never sold or transferred the certificates to anybody; that they were taken away by his sister without his knowledge or consent; that he had requested her to bring them back, and she had not done so; that he had commenced an action against her to recover their possession, which was undetermined; that he had never presented them, or either of them, for payment; and that they were not in his possession. The defendant moved for a non-suit upon the grounds that the certificates had never been presented to the bank indorsed for payment; that it affirmatively appeared that they were not in plaintiff's hands or in his possession; that they are negotiable paper, and an action cannot be maintained on such paper unless the plaintiff has the power and is able to bring the paper into court and surrender it; that they appear to be held by parties claiming under an adverse title to the plaintiff; and that the plaintiff had not established a cause of action. The motion was denied, and an exception taken. The features of the case were not changed by the defendant's testimony, and at the conclusion of the evidence the court was asked to direct a verdict for the defendant upon the grounds specified in the motion for a non-suit, which was refused, and an exception noted, and the court directed a verdict for the plaintiff, which was also excepted to. The question was thus sharply presented upon this trial, which is not in the record in the Bank of Attica Case, whether the payee of commercial paper, who has not the possession of it, and who confesses his inability to surrender it on payment, can recover against the maker, when it appears by his own showing that the paper is not lost, but is in the hands of another, although wrongfully, who produces it at the trial, but refuses to surrender it, and claims title to it in hostility to the payee. We do not think a recovery can be had under such circumstances. To hold otherwise would require us to overrule the decision of this court in *Van Alstyne v. Bank*, and to establish a dangerous precedent in the administration of the law merchant. This question is not discussed in the opinion of the general term in the Bank of Attica Case, and the second division merely declared its assent to the views of the court below, with the exception of the allowance of interest, and we are therefore not concluded by the decision there made.

The order and judgment must be reversed, and a new trial granted, with costs to abide the event. All concur.—*Northeastern Reporter*.

LIEN ON STOCK.

SUPREME COURT OF IOWA.

Farmers & Traders' Bank of Bonaparte v. Haney, et al.

Defendant and his wife executed a deed claimed by certain creditors to be a conveyance of all his real estate to his children, jointly. After its execution it was given to a son-in-law to be taken to the county seat, and submitted to S. for his advice as to the legality of the conveyance, and if approved by him it was to be filed for record. S. advised against the conveyance, and the son-in-law carried it back, when it was destroyed at the direction of defendant. *Held*, that there was no delivery of the deed.

The stock certificate issued to defendant, a stockholder in plaintiff bank, stated that the stock was transferable only on payment of all liabilities; and the bank's by-laws provided that the stock of any stockholder liable to it, as principal or otherwise, could not be transferred without the consent of the directors. *Held*, that the certificate and by-laws constituted a contract by which the bank has a lien on the stock for any liabilities from defendant to the bank, and such lien is valid against any other creditors of defendant who may attach the stock, at least when such other creditors have notice of the bank's lien.

ROTHROCK, J.—I. It appears from the petition that there were mechanics' liens upon some of the property. The questions as to these liens are not involved in this appeal; and no question is made, involving the right of the plaintiff to join, with the suit for foreclosure, the claimed lien upon the bank stock owned by defendant Haney. The appeal presents a contest between the plaintiff and the State Bank of Keokuk, appellant, a judgment creditor of Haney, as to priority of liens upon the mortgaged real estate and the bank stock. There is no question as to the fact that the defendant Haney is indebted to the plaintiff in the amount named in the notes and mortgage, and the validity of the judgment of the State Bank of Keokuk is not questioned. The decision we are required to make as to the mortgaged property involves the validity of the mortgage.

It appears that on the 29th day of March, 1888, Haney was the owner of real estate in and about the town of Bonaparte, of considerable value. He was indebted in a large amount to the Farmers & Traders' Bank of Bonaparte, and was also indebted to the State Bank of Keokuk. On said last-named day, said Haney and his wife executed an instrument in writing which is claimed to be a deed of conveyance of all of his real estate to all of his children, jointly. These children are named Elizabeth Anderson, wife of Silas Anderson, Robert L. Haney, William E. Haney, and Lulu B. Haney. After the deed was executed, it was placed in the hands of said Silas Anderson to be taken to Keosauqua, the county seat. Anderson was to submit the deed to Hon. Robert Sloan for his examination and advice as to the propriety and legality of the conveyance; and, if approved by him, Anderson was to file it in the recorder's office for record. Sloan advised against the conveyance, and Anderson carried the written instrument back to Bonaparte, and it was destroyed by the direction of Dennis Haney, and the mortgage in controversy was executed and delivered. It is claimed in behalf of appellants that the conveyance from Haney to his children was fully executed and delivered, and passed the title to the land to the grantees, subject to the right of the creditors of Haney to impeach it for fraud in an action brought for that purpose; and voluminous and able arguments are

presented upon both sides of the question whether, after a fraudulent conveyance by a debtor, one of his creditors can acquire priority of other creditors by taking a mortgage upon the property from the debtor. In the view we take of the case, it is not necessary to determine that question. In our opinion, the deed from Haney to his children did not become valid, for any purpose, because it is shown, by a clear preponderance of the evidence, that the deed was not delivered. It is true it was intrusted to Anderson to be taken to Sloan, and if approved it was to be filed for record. There is no question that Anderson carried it to Sloan as the agent of Haney, and Anderson returned the deed, and it was destroyed by the direction of Haney, the grantor. There is a question made whether Anderson returned the deed to Haney. It may be true that he did not place it in his hands, but it was placed on a mantel in Haney's house, and he directed it to be destroyed. The delivery of a deed may be shown by any act of the grantor which denotes an intention to pass the instrument over to the grantee, and it may be a good delivery without passing into the hands of the grantee. The delivery may be to a stranger for the use of the grantee. (*Mitchell v. Ryan*, 3 Ohio St. 377; *Hatch v. Hatch*, 9 Mass. 309.) A delivery of the deed to the wife of the grantee, with the declaration that it was intended for the benefit of the grantee, is a good delivery. (*Cruzen v. Winter*, 38 Iowa 471.) Actual manual delivery of the deed is not absolutely essential to effect a change of title. (*Newton v. Bealer*, 41 Iowa 334; *Parker v. Parker*, 56 Iowa 111, 8 N. W. Rep. 806; *Adams v. Ryan*, 61 Iowa 733, 17 N. W. Rep. 159.) The real question to be determined in all such cases is, did the grantor intend an unconditional transfer of the title by his disposition of the deed after it was executed and ready for delivery? In *Steel v. Miller*, 40 Iowa 402, it is said: "The question of delivery is always one of intention of the parties. If the deed passes into the hands of the grantee without intention on the part of the grantor that it shall become operative, and be used for the purposes intended, it is not a delivery." Applying that test, it appears to us that the evidence in this case shows, by a very great preponderance, that there was no delivery of the deed. The fact that, after advising with Sloan about the propriety of the conveyance, he returned it, and it was destroyed by the direction of the grantor, and the mortgage made, is strong evidence of the fact that the grantor did not intend that it should be operative unless it was approved by Sloan. And this is supplemented by the fact that the mortgage was made to the plaintiff, and some two or three other mortgages were afterwards made to other parties upon the same property. The making of all these mortgages was known to the grantees in the deed which was destroyed, or to most of them, and they made no claim that they were the owners of the land. The arguments of counsel upon the facts attending the execution of the instrument are quite voluminous. We content ourselves with stating our conclusion, based upon a most careful examination of all the competent evidence introduced on that question.

2. There is no dispute as to the validity of the debt due to the plaintiff from Haney. A question is made as to the validity of the mortgage, because it is alleged that it was taken with a secret agreement that the interest on the debt should be reduced, and the time of payment extended, in consideration for the mortgage securing the debt. We must decline to enter upon a discussion of this question. There is nothing in this whole record which shows that the officers of the bank of Bonaparte did anything to aid Haney to hinder, delay, or defraud his creditors. It was an honest debt, and the plaintiff had the right to use all proper efforts to secure its payment, even though the officers

who procured the mortgage to be made knew that it might defeat the claims of other creditors. This principle has been so often announced by this court that we need not take the time to cite the cases.

3. The remaining question in the case relates to the priority of the claims of the parties upon the bank stock held by Haney. The stock certificate issued to Haney was in these words: "No. 14. Farmers & Traders' Bank of Bonaparte, Iowa, 15 shares. This is to certify that Dennis Haney is entitled to 15 shares of the stock in the Farmers & Traders' Bank, on which \$50.00 per share has been paid. Transferable only on the books of said bank, in person or by attorney, on the surrender of this certificate and payment of all liabilities. Bonaparte, Iowa, June 15th, 1882. B. R. Vale, President. Thomas Christie, Cashier." This certificate was issued in pursuance of by-laws duly adopted by the stockholders, which by-laws, so far as pertinent to the question under consideration, are as follows: "The stock of this bank shall be assignable and transferable only on the books of this bank, subject to the restrictions and provisions of the banking laws, and a transfer book shall be provided, in which all assignments and transfers of stock shall be made. No transfer of stock shall be made, without the consent of the board of directors, by any stockholder who shall be liable as principal debtor or otherwise. Certificate of stock signed by the president and cashier shall be issued to stockholders, and the certificate shall state, upon the face thereon, that the stock is transferable only on the books of the bank, and that the stock of any stockholder liable to the bank, as principal debtor or otherwise, will not be transferred without the consent of the board of directors." It appears to us that there should not be any question that the certificate and the by-laws constitute a contract between the bank and the stockholder, by which the bank has an equitable lien upon the stock for any and all liabilities from Haney to the bank. If we understand the arguments of counsel for appellant, they do not seriously dispute the proposition that the contract was valid between Haney and the bank, but it is claimed that it is void as to the creditors of Haney, because it is contrary to law, and against public policy. We have examined the arguments of counsel, and we do not think their position can be maintained. Appellant caused an attachment to be levied on the stock some days after the mortgage was executed and delivered. It is a general rule that the lien by attachment is valid upon such legal interest as the defendant in attachment has in the property attached, and it may be that in the absence of notice that another lien exists, or that there are others who have liens or interest therein, an attaching creditor will have the right to maintain his attachment against the property. But there is a clear preponderance of evidence in this case that the attorney of appellant and the sheriff were distinctly notified, before any levy was made, that the bank had a lien on the stock. This being the fact, it should not be held that appellant has any more right to subject the stock to its claim than Haney would have had to sell his stock without payment of his liabilities to the bank.

It does not appear to us to be necessary to further elaborate the case. The decree of the District Court is affirmed.—*Northwestern Reporter*.

TAXATION.

SUPREME COURT OF KANSAS.

Bank of Santa Fe v. Buster, Sheriff, et al.

Where the cashier of a banking corporation organized under the laws of Kansas makes and delivers in May to the assessor a personal property statement of the taxable property of the bank, and "through a mistake of law and of fact" gives an amount exceeding the amount for which the bank as a bank is liable to be taxed, but does not give any list of the names of the stockholders or the amount of the undivided profits or surplus, as required by law, and this is never done by any agent or officer of the bank, and no proper steps are ever taken to correct the "mistake of law and of fact" made by the cashier, and taxes are afterwards levied upon the amount given in the personal property statement made by the cashier, and it does not appear that the stockholders are ever assessed or taxed, or that the taxes against the bank are more than it and its stockholders should pay, and in January afterwards, the treasurer and sheriff are proceeding to collect the taxes against the bank, *held*, that the bank does not then have any action to enjoin such treasurer and sheriff from so collecting the same.

VALENTINE, J.—This was an action brought in the district court of Haskell County by the Bank of Santa Fe against the sheriff, treasurer, and county board of said county to perpetually enjoin the defendants from collecting or enforcing certain taxes levied against the plaintiff. The petition of the plaintiff as filed in the district court, omitting title and signature, reads as follows: "Petition. The Bank of Santa Fe, plaintiff in the above-entitled action, for its cause of action alleges that plaintiff is, and at all times herein referred to has been, a corporation organized and existing under the laws of the State of Kansas, and doing business as a banking corporation in the city of Santa Fe, in the county of Haskell, in the State of Kansas; that defendant John C. Buster is the sheriff of Haskell County, Kansas; that defendant John G. Michaels is the county treasurer of Haskell County, Kansas; that on the 3d day of May, 1890, J. L. Kennard, the cashier of said plaintiff, made a personal property statement to W. P. Claybourn, the assessor of the township in which the said city of Santa Fe was situated—said city being a city of the third class—of the amount of personal property for which said bank was liable to be taxed; that in making such statement said J. L. Kennard, through a mistake of law and of fact, instead of making a statement of the names of the stockholders in said bank, and the amount of stock held by each, as required and provided by section 6,868 of the General Statutes of Kansas, gave as the total amount of personal property said bank was required to list for purposes of taxation the sum of \$5,000; that the fair, just, legal, and equitable sum on which said bank should have been taxed was not to exceed \$2,000; that on the 7th day of May, 1890, said assessor filed said statement in the office of the county clerk of said Haskell County; that thereafter, in June, 1890, said J. L. Kennard, becoming aware of his said mistake, appeared before the board of county commissioners of said Haskell County, called their attention to such mistake, and requested that such mistake be corrected, and that the amount for which said bank was liable to be taxed should be reduced upon the records to the proper amount; that said board of county commissioners deferred and postponed action upon said application, and took no action with reference thereto, until January, 1891, when their attention was again called to the matter by the affidavit of said J. L. Kennard, setting out the foregoing facts, and asking for a

rebate on said assessment based on said amount of \$5,000, but said board again refused to take action thereon; that the county clerk of said Haskell County, in making up the tax roll of said county, entered a tax against said bank based upon said erroneous return and statement, and the tax so entered against said bank was unjust, unfair, illegal, and excessive in the proportion of five to two; that said plaintiff has refused to pay said illegal tax, but has at all times been ready and willing to pay a fair, just, equitable, and legal tax upon the personal property of said bank, and has tendered such an amount to the treasurer of said county, and to the sheriff of said county, and offered to pay such fair, just, and legal amount; that upon refusal of plaintiff to pay such illegal tax the said treasurer of said county issued to the sheriff of said county a tax warrant commanding said sheriff to levy upon the goods and chattels of plaintiff to the amount of such illegal tax, and collect such illegal tax; that said sheriff, under authority of said warrant, has levied upon certain personal property of said bank, and is now threatening and is about to advertise and sell such property, and said tax warrant is wholly illegal; wherefore plaintiff asks that said sheriff, defendant herein, be restrained and enjoined from proceeding further under such warrant, and from advertising or selling such personal property, and from collecting or attempting to collect such tax; and that said county treasurer and said board of county commissioners be restrained and enjoined from taking any steps towards the collection of said illegal tax, and that upon a full hearing such order and injunction be made perpetual, and for costs of this action, and for any proper equitable relief." The probate judge of said county granted to the plaintiff a temporary injunction, as prayed for in the petition, but the judge of the district court at chambers, upon a motion interposed by the defendants, vacated, set aside, and dissolved such temporary injunction; and did so, as is shown by the order of such judge, upon the sole ground that the petition did not state facts sufficient to entitle the plaintiff to recover, or to the relief prayed for; and to reverse this ruling and order of the district judge the plaintiff, as plaintiff in error, has brought the case to this court.

We think the decision of the judge of the district court is correct. Whatever mistake was made in the assessment of either the plaintiff's or the stockholders' property was made by J. L. Kennard, cashier and agent of the plaintiff, and the plaintiff is certainly bound by the statement made by its agent, unless the plaintiff, through that or some agent or officer, resorted to the proper means to have such mistake corrected. It does not appear that any such thing was ever done, and therefore its agent's "mistake of law and of fact," whatever that might have been, has never been corrected. It does not appear that any list of the names of the stockholders of the plaintiff bank, or the amount or the value of such stock, or of any stock held by either the bank itself or the individual stockholders or the value of any undivided profits or surplus remaining in the bank, has ever been furnished by the bank, or by any one of its agents or officers, to the assessor, or to the board of county commissioners, or to the board of equalization, or to any other board or officer having anything to do with the assessment of property or the levy or collection of taxes. This should have been done. Gen. St. 1889, pars. 6,868, 6,921, 6,922. It does not appear what the value of the stock held by the bank and its stockholders, or by the bank or any of its stockholders, was, or that the aggregate value, or even the value of the stock held by the bank itself, was less than \$5,000, the amount of the assessment. It does not appear that the value of the taxable property of the bank, after deducting the value of all its real estate, would be less than \$5,000.

The allegation "that the fair, just, legal and equitable sum on which said bank should have been taxed was not to exceed \$2,000," and other like allegations, without stating what the property was, or its value, are not sufficient. It does not appear that any of the stock of any one of the stockholders has ever been assessed in any other manner than by the assessment complained of in this action. No stockholder is complaining, and in all probability no stock has been assessed or taxed more than once, if at all. What the amount of the capital stock of the bank is, or what its value is, is not shown, and certainly the bank and its stockholders will not be required to pay more taxes on this assessment than they ought to pay. Even where the assessment is regular and where the assessment is upon the individual stock separately of each of the individual stockholders, still the statute relating to banks like the present provides that "said bank or banking association shall pay the tax assessed upon said stock and undivided profits or surplus, and shall have a lien thereon until the same is satisfied." Gen. St. 1889, par. 6,868. In fact it can make but little difference, as a general rule, whether the assessment is made upon the stock of each stockholder separately, or is made against the bank itself for the whole amount of the stock. And, further, it does not appear that the plaintiff, or any agent for the plaintiff, ever appeared before the board of equalization to have the mistake made by its cashier and agent corrected. We think no equity is shown in this case in favor of the plaintiff. We think this case falls within the principles enunciated in the case of *Bank v. Nipp*, 47 Kan. 744, 28 Pac. Rep. 1,015, and not within the principles enunciated in the case of *Bank v. Fisher*, 45 Kan. 726, 26 Pac. Rep. 482. The order of the judge of the court below vacating the temporary injunction will be affirmed. All the justices concurring.—*Pacific Reporter*.

A BANK'S RIGHT TO PURCHASE NOTES—INDORSEMENT ON SUNDAY.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

Prescott National Bank of Lowell v. Butler.

Even if, under U. S. St. 1864, c. 106, § 8, authorizing National banks to "discount and negotiate" notes, the purchase of a note by such a bank is *ultra vires*, it is an ordinary contract, not being made penal or expressly forbidden, and the maker or indorser cannot defend on the ground that the bank has acquired no title. The violation of the law can be availed of only in proceedings against the bank, in the interest of the public, to deprive it of its charter.

Evidence that a note acquired by a National bank was in the hands of the indorser's agent, who consulted the indorser about the rate of interest before giving it to the bank, and that the money paid by the bank was paid to the indorser less the agent's commission, warrants, if it does not require, a finding that the bank discounted the note for the indorser, within the meaning of U. S. St. 1864, c. 106, § 8, authorizing National banks to "discount and negotiate notes."

Even if a National bank does not get the legal title to a note purchased in the market, it may maintain an action thereon, as the holder, against the maker and indorsers.

The indorser of a note warrants its legality, and is estopped, in an action thereon, to set up its invalidity on the ground that it was executed by the maker on Sunday; the date written on the note not being conclusive, since there may have been a mistake in the date, or the note may have been written on Sunday and delivered on a secular day, in which case it would be valid.

KNOWLTON, J.—The defendant contends that the plaintiff cannot

recover—*First*, because it has no title to the note; and, *secondly*, because the note was made on the Lord's day, in violation of the statute. It is argued that under the statutes of the United States, National banks cannot buy or sell promissory notes, and that, inasmuch as the plaintiff obtained the note by purchase, it has no right to hold or collect it. On the question whether a National bank can buy promissory notes in the market as a natural person can, there is a conflict of authority. Its power to do so, if it has any, is conferred by the United States statute of 1864 (chapter 106, § 8), which authorizes National banks "to discount and negotiate promissory notes, drafts, bills of exchange, and other evidences of debt," etc. It has sometimes been held that the right to "discount and negotiate notes," etc., goes no further than to authorize the taking of them in return for a loan of money made on the strength of the promises contained in them. (*Lazear v. Bank*, 52 Md. 124; *Bank v. Baldwin*, 23 Minn. 198; *Bank v. Pierson*, 24 Minn. 140; *Bank v. Baker*, 15 Ohio St. 69.) By other courts it has been held that the right to "discount and negotiate" includes the right to buy. (*Smith v. Bank*, 26 Ohio St. 141; *Pape v. Bank*, 20 Kan. 440.) (See, also, *Bank v. Harris*, 108 Mass. 514, 516; *Bank v. Porter*, 125 Mass. 333; *Bank v. Savery*, 127 Mass. 75, 77.) If we assume, in favor of the defendant, that National banks are not authorized, under the law, to go into the market and buy promissory notes from those who are selling them only as a commodity, there are several reasons why this defense cannot prevail.

In the *first* place, if such a purchase is *ultra vires*, it is an ordinary contract. It is not made penal, nor expressly forbidden, and the maker or indorser cannot defend on the ground that the bank has obtained no title. The violation of law can be availed of only in proceedings against a National bank, in the interest of the public, to deprive it of its charter. This has been decided by the Supreme Court of the United States. (*Bank v. Matthews*, 98 U. S. 621, and cases cited; *Bank v. Whitney*, 103 U. S. 99; *Bank v. Hanson*, 33 Minn. 40, 21 N. W. Rep. 849; *Woollen Co. v. Lamb*, 143 Mass. 420, 9 N. E. Rep. 823.)

Secondly, the evidence in this case would well warrant, if not require, a finding by the court that the transaction was a discounting of the note for the defendant, within the meaning of the statute. The note was in the hands of the indorser's agent, who consulted the indorser about the rate of interest before giving the note to the plaintiff. The plaintiff's money was paid to the indorser, less the agent's commission. The transaction would have been no different, in substance, if the defendant, who held the note as indorser, had carried it to the plaintiff's bank, and had there made in person the contract which he made through the agent. If he had done that, the transaction clearly would have been a negotiation of a loan, and a discounting of a promissory note. (*Lazear v. Bank*, 52 Md. 124; *Bank v. Baldwin*, 23 Minn. 198; *Bank v. Pierson*, 24 Minn. 140.)

Thirdly, it has been held in this commonwealth, in analogy with the above-cited decisions of the Supreme Court of the United States, but on somewhat different grounds, that, even if a National bank does not get the legal title to a promissory note bought in the market, it may maintain a suit as the holder, and the maker and indorsers cannot be relieved from their contracts to pay the holder the amount promised in the writing. (*Bank v. Savery*, 127 Mass. 75, 77; *Bank v. Porter*, 125 Mass. 333.)

Of the second ground of defense, it may be said that the contract relied on in this suit is the contract between the defendant, as indorser, and the plaintiff. That was not made on the Lord's day. The contract between the makers and the indorser may or may not have been. The

date written on the paper is not conclusive. There may have been a mistake in the date, or the note may have been written on the Lord's day, and afterwards delivered on a secular day, in which case it would be valid between the original parties. Whether the note could be enforced by the payee against the maker is immaterial, in this suit; for an indorser of a promissory note "always warrants the existence and legality of the contract which he undertakes to assign." (*Burrill v. Smith*, 7 Pick. 291, 295; *Veazie v. Willis*, 6 Gray, 90; *Bank v. Caverly*, 7 Gray, 217; *Kenworthy v. Sawyer*, 125 Mass. 28; *Binney v. Bank*, 150 Mass. 575, 578, 23 N. E. Rep. 380; *Hannum v. Richardson*, 48 Vt. 508; *Henderson v. Lemly*, 79 N. C. 169.) The defendant, by his indorsement, is estopped to deny that the note is a valid contract; and, as against him, it must be assumed that it was made and delivered at a time when such business could lawfully be done. The presiding justice rightly refused to rule that the plaintiff was not entitled to recover.

Exceptions overruled.—*Northeastern Reporter*.

COLLECTIONS.

SUPREME COURT OF NEBRASKA.

Anheuser-Busch Brewing Association v. Assigned Estate of the Farmers & Merchants' Bank of Humboldt.

Where a bank collects money for another it holds the same as trustee of the owner, and on the making of an assignment by the bank for the benefit of its creditors the trust character still adheres to the fund in the hands of the assignee, and the owner is entitled to have his claim allowed by the county court as a preferred claim.

In such case, where the owner files his claim with the county judge in the regular way, which is allowed like that of an ordinary creditor, no preference being given, from which allowance no appeal is taken, and he afterwards accepts from the assignee two dividends declared, he waives his right to afterwards insist upon the payment of his claim in full.

It is the duty of the county judge, at the same time he audits and allows a claim against an assigned estate, to determine whether or not it is entitled to preference and, if he finds that it is, to order the same paid as a preferred claim. His decision is, in effect, a judgment, which is conclusive, unless appealed from.

NORVAL, J.—On July 1, 1889, the Farmers and Merchants' Bank of Humboldt made an assignment for the benefit of its creditors. Subsequently Creighton Morris was elected by the creditors of the bank as assignee of the assigned estate, and qualified as such. Claims have been allowed by the county court of Richardson County against the estate, aggregating more than double the appraised value of the assigned property. On September 13, 1889, appellant filed its claim as a creditor of said assigned estate to the amount of \$827.83, for moneys collected by the bank for appellant, and not remitted, which was allowed by the county court October 17, 1889, as an ordinary claim, no preference being given. Subsequently, on October 28, 1889, a 10 per cent. dividend was declared, and appellant, as a creditor, took the 10 per cent. upon its claim allowed. Afterwards, on May 13, 1890, a 6 per cent. dividend was declared, and appellant accepted its *pro rata* share. On the 6th day of June, 1891, appellant filed with the county court its verified petition, alleging that its claim was for trust moneys, and praying that the same should be paid in full as a preferred claim, which application was denied on July 27, 1891, and on the same day a 5 per cent. divi-

dend was declared, but appellant declined to accept its *pro rata* share, and appealed to the district court, where the decision of the county court was affirmed.

It is argued by appellant, in effect, that the money collected for it by the bank was a trust fund in the hands of the latter, and that the making of the assignment did not divest the money of its trust character. There can be no doubt of the soundness of the proposition stated. This money collected by the bank did not belong to it, but to appellant, and it did not pass by the assignment to the assignee as a part of the assets of the bank. The assignee took the money subject to the trust in favor of the owner, and appellant was entitled, under the provisions of the assignment law, to have the same paid as a preferred claim against the estate, unless he has waived his right to such preference. The decisions cited in the brief of appellant fully sustain this conclusion, and we have been unable to find any conflict therewith. (*McLeod v. Evans* (Wis.) 28 N. W. Rep. 173; *Bank v. King*, 57 Pa. St. 202; *Peak v. Ellicott*, 30 Kan. 156, 1 Pac. Rep. 499; *People v. Bank of Rochester*, 96 N. Y. 32; *Cragie v. Hadley*, 99 N. Y. 131, 1 N. E. Rep. 537; *Central Nat. Bank of Baltimore v. Connecticut Mut. Ins. Co.*, 104 U. S. 54.) The decision in *Wilson v. Coburn* (Neb.) 53 N. W. Rep. 466, is clearly distinguishable from the case at bar. There an insolvent bank received a deposit of a sum of money from one Henry Wilson, and soon thereafter the bank made an assignment for the benefit of its creditors. The depositor filed with the county judge his claim, and a petition praying that he be adjudged a preferred creditor, and for an order for the payment of his claim in full. It was ruled that the fact that the bank, within the knowledge of its officers, received the depositor's money under circumstances which amounted to a fraud upon him, was not of itself sufficient to entitle him to a preference over other creditors from the funds of the bank in the hands of the assignee. The depositing of the money with the bank under the circumstances stated created the relation of debtor and creditor, and, as the sum deposited has gone into and was mingled with the general funds of the bank, so as not to be capable of identification, or of being distinguished from the other assets of the bank in the assignee's hands, the depositor had no right to preference. In the case before us the transaction between appellant and the assignor did not create the relation of a debtor and creditor, but the money collected constituted a trust fund in the hands of the bank for the benefit of the owner, and the assignment did not have the effect to divest it of such trust. The assignee stands in the place of the bank, and by the assignment he acquired no greater right to the money than the bank possessed.

Has appellant waived its right to insist upon the payment of its claim in full by having the same allowed as an ordinary debt against the estate, and by accepting two dividends from the assignee? It is plain that the answer must be in the affirmative. Section 16 of the assignment law provides, among other things, that the county court shall fix a time within which claims against the assigned estate shall be filed. Section 17 of the same act declares that "on the day following the day fixed under the provisions of the preceding section all uncontested claims shall by the county judge be allowed and entered of record, with the amounts thereof, in a book to be provided and kept for that purpose. Upon all contested claims the county judge shall order pleadings, as nearly as practicable like those in ordinary civil actions in said court, to be summarily made up, and thereupon said cause shall proceed in said court as in ordinary civil actions therein; but no such cause shall be continued for a longer time in the aggregate than sixty

days from the day so fixed." Section 18 provides that "judgment in said action shall be that such claim or some amount thereof be allowed, or that the same be disallowed, or that the assignee have and recover from the person making the claim a certain amount. If the claim shall be allowed, judgment for cost shall be adjudged against the party or parties contesting the same. If the claim be allowed in part only, the court adjudicating the same shall apportion the costs, or adjudge them as may be just. If the claim be wholly disallowed, or the assignee recover judgment, costs shall be adjudged against the claimant, but in no case shall the costs be paid out of the assigned estate, except as in this act otherwise provided. In such cause the claimant shall be named as plaintiff, and the contestant or contestants as defendant. Judgment in favor of the assignee or for costs shall be collected as in other cases. Whenever any contested claim shall be finally allowed, or so much thereof as shall be finally allowed, shall be entered of record in like manner as other claims." Section 19 provides that "no petition in error shall be allowed from the judgment of the county court upon a contested claim, but either party may appeal therefrom as in other cases." Sections 22, 23, and 24 read as follows: "Sec. 22. At the expiration of three months from the date of the inventory and appraisement, or sooner if, and as often as, the assignee shall be in possession of sufficient funds, the county court shall order a distribution of all moneys in the assignee's hands, fixing the amount in dollars and cents to be paid to each person entitled thereto, and thereupon the assignee and his sureties shall become liable to such person therefor absolutely. The court may also enforce obedience to such order by the assignee by attachment for contempt, and may commit him to the common jail of the county, or any other suitable place of confinement and safe-keeping, until he shall comply therewith. Sec. 23. As soon as the entire estate shall have been converted into money the county court shall make a like order for the final distribution thereof, which shall have the same effect, and may be enforced in like manner, as the order mentioned in the last preceding section. Sec. 24. Moneys coming into the hands of the assignee shall be distributed in the following manner: *First*, to the payment of fees and allowances of the assignee, county judge, clerks, sheriff, and officers; *second*, to the payment of any public tax or assessment charged against the assignor or assignors or his or their property; *third*, to the payment of preferred claims in full; *fourth*, the balance shall be divided among the creditors so that the amount paid to each shall bear the same relation to the whole sum to be so divided that the amount of such creditor's claim shall bear to the aggregate amount of all the claims proven." The statute authorizes and requires the county judge to pass upon claims filed against an assigned estate. Manifestly it is his duty, at the time he passes upon and audits a claim, to investigate and determine whether it is entitled to preference, and, if he finds that it is, to allow the same as a preferred claim. His decision entered of record is, in effect, a judgment, which is final and conclusive upon all parties, unless an appeal is taken therefrom to the district court in the manner and within the time indicated by section 19, above quoted. (2 Black, Judgm. § 641; *Eppright v. Kauffman* (Mo. Sup.) 1 S. W. Rep. 736.)

Appellant insists that the proper time for the county judge to determine whether the owner of a claim is entitled to preference is when the order of distribution is made. It will be conceded that in a suit to foreclose several mortgages, unless the priority of liens is determined when the decree is rendered, each lienholder will share alike in the proceeds of the sale of the mortgaged premises. The time to determine in such

a case the priority of liens clearly is not after the sale of property. Applying the same rule to the settlement of insolvent estates, we conclude that the *status* of a claim, whether it shall be preferred or not, must be fixed and determined by the county judge at the time the same is passed on and allowed by him, and not when he makes an order for the distribution of the money in the hands of the assignee. This view is strengthened by the reading of section 24, copied above, which declares the manner in which money belonging to an assigned estate shall be distributed. By the third subdivision of the section preferred claims are to be paid in full, and by the next subdivision the balance of the assets is to be divided among the creditors *pro rata*. From this it is plain that the *status* of the owner of each claim, whether entitled to a preference or not, must be judicially determined before there can be a distribution of the assets among the creditors of the assignor. The appellant's claim was allowed as an ordinary claim, and by failing to appeal therefrom, and by accepting as a creditor the two dividends declared, it waived its right to insist upon the payment of its claim in full as a preferred creditor. In reaching this conclusion we have not overlooked the decision in *McLeod v. Evans*, *supra*, wherein a contrary doctrine is stated. In view of our statutory provision, we do not regard that case as authority here. It follows that, as the decisions of the county court and of the district court are in harmony with the views that we have expressed, the judgment of both courts must be affirmed. The other judges concur.—*Northwestern Reporter*.

THE RIGHT OF A BANK TO SUE ON A NOTE PAYABLE TO THE CASHIER.

SUPREME COURT OF ALABAMA.

Darby v. Berney National Bank.

A bank may sue as payee on a note payable to its cashier, alleging either that the promise was made to the cashier for it, or that the cashier's name was used by adoption for that of the bank.

A plea of want of consideration in an action on a note must allege the facts constituting such defense. (*Carmelich v. Hims*, 6 South. Rep. 913, 88 Ala. 335, followed.)

The fact that a surety on a note received no consideration for executing the note does not affect his liability.

A surety on a promissory note is not released because, after the death of the principal obligor, the payee neglected to file a claim against the estate of the deceased, and collect the note from that source.

In an action on a promissory note defendant pleaded that when the note was due, being a surety thereon, he requested plaintiff to collect same from the principal obligor, who at that time had ample means to pay the note, and that plaintiff failed so to do. *Held*, that the plea was demurrable, as the request was not alleged to have been in writing, and was to "collect," not "to bring suit thereon against the principal debtor," as required by Code Ala. § 3,153.

Such a plea was also demurrable at common law, as it did not state that the principal obligor was then solvent in the sense that the payment of the note could have been compelled by action, judgment, and execution against him.

MCCLELLAN, J.—Action by the Berney National Bank on a promissory note executed by S. J. Darby, the defendant, and one Westbrook, who is not sued. The complaint alleges that said note was "payable

to the plaintiff by the name and style of 'J. B. Cobbs, Cashier,' and that the said J. B. Cobbs was at the time of making said note cashier of the plaintiff bank, and that the plaintiff was intended to be designated as payee by the use of the words 'J. B. Cobbs, Cashier.' There was no indorsement of the paper by Cobbs; and the point is taken by demurrer that the complaint shows the legal title to the note to be in Cobbs, and hence that plaintiff was without right to maintain this action. The authorities are opposed to this position, and the law may be said to be well settled that in a case like this the legal title is in the bank, and it may sue in its own name, averring either that the promise was made to its agent for it, or that the agent's name was used by adoption for that of the principal. The demurrer was properly overruled. (2 Daniel, Neg. Inst. §§ 1,187-1,189; 1 Rand. Com. Paper. § 157; 2 Rand. Com. Paper, § 1,657; Tied. Com. Paper, § 88; *Alston v. Heartman*, 2 Ala. 699; *Hazard v. Bank*, 4 Ala. 299.)

The second plea, which was not interposed "in short by consent," but is in short without consent, that "defendant pleads want of consideration," is bad, in that it fails to aver the facts upon which reliance is had to defeat the action. (*Carmelich v. Mims*, 88 Ala. 335. 6 South. Rep. 913; *McAfee v. Glen Mary Coal & Coke Co.* (Ala.) 11 South. Rep. 881.)

On the averments of the third plea a valuable consideration passed to Westbrook for the obligation of himself and the defendant on this note, and it is of no consequence that the defendant himself received nothing in that behalf. The allegations of that plea, so far from showing a want of consideration, affirmatively show to the contrary. (*McAfee v. Glen Mary Coal & Coke Co.*, *supra*.)

The *gravamen* of the fourth and sixth pleas is that, the principal obligor in the note sued on having died, the plaintiff failed to take the steps which the law authorized him to take to collect the amount evidenced by the note out of his estate, and hence he should not now recover from the defendant, who is only surety thereon; or, in other words, the defense attempted to be advanced by these pleas is that plaintiff, by reason of its inactivity in respect of pursuing its remedies against the principal's estate, failed to enforce and collect its claim from that source, and lost the power so to do upon the final settlement of Westbrook's estate. The release of the principal debtor in this way by operation of law, which wrought the result through the mere passiveness of the creditor, did not discharge the surety. (2 Brick. Dig. p. 375, § 33; *Evans' Adm'r v. Evans*, 16 Ala. 465; 2 Daniel, Neg. Inst. § 1,326; 2 Rand. Com. Paper, § 939.)

The fifth plea, which is intended to set up the defense that plaintiff failed to proceed against the principal on the demand of the surety, and in consequence of such failure the claim against the principal became worthless, is bad under the statute, because—*First*, the requisition alleged was to "collect" the claim from Westbrook, not "to bring suit thereon against the principal debtor"; and, *second*, the requisition was not in writing (Code, § 3,153; *Savage's Adm'r v. Carleton*, 33 Ala. 443), and is bad at common law, in that it does not appear therefrom that the principal was then solvent in the sense that payment of the note could have been coerced by action, judgment, and execution against him. The principal may then have had "ample means wherewith to pay said indebtedness," as averred in the plea, and yet an effort to enforce payment might, for aught that is alleged, have been entirely abortive, so that the plea fails to show affirmatively that the defendant was prejudiced by plaintiff's omission to proceed against Westbrook. (2 Brick. Dig. pp. 387, 388, § 197, *et seq.*) Our conclusion, therefore, is that the

demurrers to pleas were properly sustained, and our consequent conclusion that the case should not be reversed on account of the rulings with respect to the 2d, 3d, and 5th pleas might be rested solely on the ground that the assignments of error which are addressed to those rulings are not insisted on in argument. Affirmed.—*Southern Reporter*.

LEGAL MISCELLANY.

GUARANTY—NOTICE.—One who guaranties that another will pay promptly for goods to be purchased is not liable where the purchaser becomes insolvent after the guaranty is given, and the seller gives the guarantor no notice of the purchaser's failure to pay. [*Tausig v. Reid*, Ill.]

NEGOTIABLE INSTRUMENT—ACTION—WHO MAY SUE.—A bank may sue as payee on a note payable to its cashier, alleging either that the promise was made to the cashier for it, or that the cashier's name was used by adoption for that of the bank. [*Darby v. Berney Nat. Bank*, Ala.]

NEGOTIABLE INSTRUMENTS—CONSIDERATION.—In an action on a promissory note made by defendant with others who are not sued, the plea of no consideration to defendant is demurrable, as it fails to negative consideration moving to defendant's co-makers. [*McAfee v. Glen Mary Coal & Coke Co.*, Ala.]

NEGOTIABLE INSTRUMENT—SURETYSHIP—RELEASE.—A holder's delay of ten days after the maturity of a note before taking steps to enforce its payment, during which time the maker becomes insolvent, does not release a surety, in the absence of an agreement between the holder and the maker, on a sufficient consideration, extending the time of payment for a definite period. [*Shoffstall v. McDaniel*, Pa.]

PAYMENT—CHECK.—That a check was not taken as payment for a balance due on a sale, but merely as a means of payment, sufficiently appears from the facts that complainant did not know that the check was against a certificate of deposit, which deposit was at interest, and could not be withdrawn except upon 60 days' notice, while the sale was for cash, and that complainant, who had before then taken the check against the time deposit, did so with the express understanding that he would also receive the interest on the deposit, while nothing was said about interest in taking the check in question. [*Bibb v. Snodgrass*, Ala.]

PAYMENT BY NOTE—LAW OF PLACE.—The question whether the giving and receiving of the promissory note of the debtor for the amount of an antecedent debt operates as payment and extinguishment of the original debt is one that goes to the force and effect of the contract itself, and is governed by the law of the place of the contract. [*Thomson-Houston Electric Co. v. Palmer*, Minn.]

BANKS—ASSIGNMENT—PREFERRED CREDITORS.—Where a bank collects money for another it holds the same as trustee of the owner, and on the making of an assignment by the bank for the benefit of its creditors the trust character still adheres to the fund in the hands of the assignee, and the owner is entitled to have his claim allowed by the county court as a preferred claim. [*Anheuser-Busch Brewing Ass'n v. Assigned Estate of the Farmers & Merchants' Bank of Humboldt*, Neb.]

CONTRACTS—MUTUAL AGREEMENT.—A manufacturing company mailed defendant a proposition for the sale of certain mill machinery with a blank acceptance for defendant to sign and return. Defendant wrote on the margin of the acceptance, "Changed to conform to our letter," and returned it with a letter not accepting the proposition in full, but changing the time and terms of payment. In answer to this the company wired that it had entered the order, but added, "See letter," and sent a letter suggesting different times and terms of payment than proposed by defendant: *Held*, that the minds of the parties had met on the terms of payment, and no contract was made. [*Wilkin Manuf'g Co. v. H. M. Loud & Sons Lumber Co.*, Mich.]

CORPORATIONS—CONTRACT.—Where the secretary and treasurer of a corporation owns a majority of its stock, and has entire charge of its business, a written assignment of a contract between it and another corporation, signed by him as "secretary and treasurer for" the company, naming it, is sufficient to enable the assignee to maintain an action thereon against the other party to such contract. [*Moore v. H. Gaus & Sons Manuf'g Co.*, Mo.]

CORPORATIONS—STOCKHOLDER'S LIABILITY—DEFENSES.—A subscriber for stock in a corporation offered, while the company was solvent, to pay for this stock, but the company refused to receive the money or to issue stock to him. The stockholder, however, took no action to absolve himself from his subscription contract, but continued active in the company's business until it became insolvent and embarrassed: *Held*, that the offer and its refusal constituted no defense to an action by the assignee of the corporation to recover on the subscription. [*Potts v. Wallace*, U. S. S. C.]

CORPORATION—VALIDITY OF BY-LAWS.—A joint-stock corporation has power by by-law to declare that no person who is attorney against it in a suit shall be eligible as a director. [*Cross v. West Virginia Cent. & P. Ry. Co.*, W. Va.]

NATIONAL BANKS—SHAREHOLDERS—COMPOUNDING STATUTORY LIABILITY.—A Federal court will not, even if it has the power under Rev. St. § 5,234, grant an order authorizing a receiver of a National bank to compound the statutory liability of certain stockholders by accepting payment of a gross sum, less than is due, in satisfaction and discharge thereof, although more money would thus be realized than by proceedings to collect the same in the usual way, when it appears probable that such stockholders have fraudulently conveyed their property to avoid their legal obligations as stockholders, or to shield themselves from injury and exposure by litigation. [*In re Certain Stockholders of the California Nat. Bank of San Diego*, U. S. D. C., Cal.]

TAXATION—MONEY IN BANK.—Although a deposit in bank subject to the sight check of the depositor is usually held to be only a debt against the bank, it is regarded by the laws of Texas providing for the rendition of property for taxation as cash, and as such is not subject to be set off for the purpose of taxation by the liabilities of the depositor. [*Campbell v. Wiggins*, Tex.]

NEGOTIABLE INSTRUMENT—CONTRIBUTION.—The fact that plaintiff, one of four joint and several obligors on a note, agreed to and did hold harmless one of the others in order to induce him to sign the note, does not affect his right to contribution from the two other obligors, whether or not they knew of the existence of such agreement when they signed the note. [*Murphy v. Gage*, Tex.]

NEGOTIABLE INSTRUMENT—DURESS.—In an action against a decedent's estate on certain notes, where the defense was that they were given to prevent a prosecution of decedent's son for embezzlement, the will of decedent was not admissible, in behalf of defendant, when the only apparent object of its introduction was to show that decedent gave his son no share of his estate, which, as the will was executed several years before the transaction in controversy, might lead to the inference that the son was wayward, and troublesome to his parent. [*Wolf v. Troxell's Estate*, Mich.]

THE LEVY MONETARY PLAN.

An interesting discussion of the Brussels Monetary Conference, which was given before the Society of Political and Social Economy at Lyons on January 27, by Señor Joaquin D. Casaus, has just been received at the Treasury Department. Señor Casaus was one of the three delegates sent by the Republic of Mexico to the Conference, and he has not abandoned the hope that substantial results will yet be secured by proper discussion of the silver question among the leading nations. The plan of M. Moritz-Levy, submitted to the Conference of 1881, was the substantial basis of two propositions submitted to the Conference by the special committee appointed to consider the various plans for rehabilitating silver. The propositions were:

1. The withdrawal from circulation within a specified time of gold coins containing a legal weight of less than 5,806 grains fine (twenty-franc pieces).
2. The exclusion from circulation of bills of a less value than the 20-franc piece or its equivalent, excepting bills representing a deposit of silver.

The broad argument upon which Señor Casaus bases his support of the Levy plan is worth quoting in the *Commercial Bulletin*, and is as follows:

"In examining the basis of the Moritz-Levy proposition, one cannot avoid recognizing that it is scientific, and that it is practically easy of realization. In studying the results of this proposition, it is very simple work to demonstrate that in creating a natural demand for the white metal to satisfy monetary necessities its price would be raised or would at least acquire greater relative fixity. The application of the scientific method to the study of the monetary problem and of all the phenomena of which observation has revealed the existence demonstrates that the principal cause which has engendered them is not the depreciation of silver, but the poverty of gold in circulation. The demonetization of silver in Germany, which produced an absorption of gold of more than 1,700,000,000 marks, the modification of the Scandinavian laws, which led to a purchase of gold of more than 100,000,000 francs on the London market, the monetary policy of the United States, which in two years only, 1880 and 1881, drew from Europe a billion of francs, the Italian loans obtained in gold to suspend the forced paper currency, the suspension of mintage in the countries of the Latin Union, which closed the markets to the purchase of gold—all these measures have engendered a poverty of gold and a great augmentation in its purchasing power.

"The proposition of M. Moritz-Levy has for its principal object to

meet this poverty of gold ; to take out of circulation a great quantity of money whose functions can be replaced by silver ; to augment the stock of gold which accumulates in the great banks of issue ; to better divide the circulation of the two metals which fulfill the monetary functions ; to turn gold in the direction where there is the most need of it, where it is called into use by reason of operations which make its use indispensable, and to leave the silver money, the only sort which should serve to enliven exchanges of all sorts, its free field of action. The Moritz-Levy proposition draws its inspiration from the ideas which gave birth to the French bi-metallic law of the Seventh Germinal, year XI, which, in recognizing the wisdom of striking coins from both metals, knew exactly how to define the role which belonged to each of them.

" With due deference to its author, gold monometallist, the proposition is at issue with the fundamental principles of the monometallist doctrine. M. Thoener, wishing to explain the bearing of the declaration of the German delegates in the Conference of 1881, remarked upon this disagreement and presented some observations which may be applied to the Moritz-Levy project. M. Thoener said :

" The gold monometallist theory rests upon two axioms. It teaches, on the one hand, that it is necessary to give to gold the smallest possible subdivisions ; on the other hand, that it is necessary to exclude silver absolutely from circulation, admitting it only as bullion. The propositions which Germany presents, impelled without doubt by the logic of events, are precisely the denial of these two essential points of the monometallic monetary theory. They flow, on the contrary, from this double principle—that there is a certain limit below which it is not convenient to carry the subdivision of gold, and that the gold standard by no means excludes the circulation of silver by the side of gold, but on the contrary requires it. This brings us back to the ancient historic tradition which gold monometallism has endeavored so violently to break down ; it brings us back to bi-metallism with a standard of value which was once silver, which may be gold to-day, but which, far from eliminating silver, assures it constant and regular employment in the internal circulation of every State."

Senor Casassus quotes the figures of M. Moritz-Levy, showing the existing circulation of 2,269,000,000 francs in bills of a value below 20 francs each, and 1,550,000,000 in gold pieces below 20 francs, and calculates that the adoption of the plan proposed would not call for the immediate use of more than 1,500,000,000 francs (about \$300,000,000) in new silver. He calculates that the difference would be made up by the use of larger coins and larger bank bills to a certain extent, and in part by putting in circulation the considerable quantities of silver coin now stored in the Bank of France and other depositaries. He declares, in closing this branch of the subject, that even if the adoption of the project produced no other effect than that of relieving the banks of the silver which they guard in their vaults, it would be worthy of the approval of the nations. It would render the banks less avaricious of their gold and modify the policy which they have followed to defend their reserves ; it would establish the disturbed equilibrium in countries which have suspended the coinage of the white metal and give a certain ease to the markets of the entire world.

THE FINANCIAL CAUSES OF THE FRENCH REVOLUTION.

[CONTINUED.]

Rousseau, in his *Confessions*, relates an anecdote which, in a brief compass, conveys to us a more realistic impression of the vexatious evils of the taxation than might possibly be gathered from a much more elaborate dissertation. During one of those pedestrian tours in which he delighted in his earlier days, he was impelled by hunger and thirst to enter the cottage of a peasant. He thought that he would find there the comforts and meet with the hospitality he had experienced in Switzerland under similar circumstances. He asked for some dinner, for which he offered payment; and the peasant said that skimmed milk and barley bread was all he could offer him. Rousseau, however, sat down and thoroughly enjoyed his fare, frugal as it was, but he noticed that all the time his host was scanning him narrowly. Being satisfied, apparently, that Rousseau was an honest young fellow and not a tax-collector in disguise, he opened a concealed cupboard from which he produced some ham and excellent bread and wine, which were followed by an omelette. Rousseau could not conceive what had alarmed his host, who refused to take any money, but he finally explained that he had hidden his wine and bread to escape the duty and the *taille*, as, were he not thought to be starving, he would be a ruined man. The future author of the *Contrat Social* significantly adds that on that day the seed was laid in his heart of an undying hatred for the oppressors of a suffering people. The man he had just left dared not eat the bread that he had earned by the sweat of his brow, and, though making a good livelihood, he could only stave off ruin by pretending he was as poor as those amongst whom he lived.

The second direct tax was called the capitation tax; a kind of graduated tax on capital, which was levied on the nobility as well as on the *tiers état*. The clergy had purchased their exemption from this tax in 1807, for the sum of 23,000,000 livres (or francs); and the members of the royal family, the royal household, the heads of noble families, and such members of the *tiers état* as had appointments in the royal household,* contributed only 800,000 livres out of the 42,000,000 livres the tax realized, a proportion entirely inadequate to their wealth. But this 42,000,000 livres was a much lower figure than the capitation tax ought to have produced, did not the inefficient system of administration render a fair assessment of it impossible. The collectors formed their estimates arbitrarily, and any protest on the part of the taxed gave rise to inquisitorial investigations which were often aggravated by private spite and jealousy, unless the fear of giving offense to influential persons or private friendship secured immunity from payment altogether.

The third direct tax, instituted by Colbert, was the *vingtième*, an income tax supposed to be levied on every class. The clergy bought themselves out occasionally for a term of years by the payment of a lump sum, their great wealth enabling them to save their pockets in this manner, as the *vingtième* was frequently reduced to a tenth, and the tenth occasionally to a fifth, but whatever the sum they paid it was never in full proportion to the taxable value of their property.

* Until the beginning of the eighteenth century all the members of the royal household were noblemen, but their appointments had to be purchased, and as money was becoming scarce amongst the nobility, many of the wealthy *bourgeois* stepped in and bought the vacant places.

M. Taine puts down the capitalized value of the property of the clergy at four milliards, producing an income of from 80,000,000 livres to 100,000,000 livres, which was brought up to 200,000,000 livres by the addition of the tithes. Out of this they kept the ecclesiastical edifices in repair, and maintained their schools, but that is all that can be said on their behalf, and they fully deserved the obloquy and discredit they incurred because of the immoral conduct of most of their dignitaries, who squandered the money of the church in profligacy. They possessed not only broad domains in the country, but their palatial mansions, surrounded by extensive gardens, formed a striking feature of the towns, and the middle classes looked with resentment upon these richly-endowed priests, whose ostentatious grandeur and pretensions were a constant source of offense to the people.

The suffering inflicted on the rural classes by the fiscal system can be realized when it is stated that out of every hundred francs of net revenue, no less than fifty-three francs were paid in direct taxation, fourteen francs twenty-eight centimes in tithes, and fourteen francs twenty-eight centimes in feudal dues, leaving less than one-fifth part for the support of the taxpayer and his family.* "The taxation in France bore a higher proportion to its wealth than under any of the Governments up to the fall of Napoleon the Third, with the exception of that of the Reign of Terror. In some provinces the proportion of taxation to the revenue borne by those who were *tailable* was about five times as great as at present, and its enormity was mainly due to the exemption enjoyed by almost all the wealthiest members of the community."<†

It is not difficult to understand, therefore, how these direct taxes were cordially detested, how their incidence opened the way for gross abuse, and ultimately caused the entire system to be embraced in one sweeping condemnation.

The indirect taxes were very numerous, comprising amongst them the customs, the *octroi*, the excise, the taxes on wine, oil, tobacco, cards, manufactured goods, and the *gabelle* or salt tax. It must be remembered that customs duties were not only levied at the frontiers of the kingdom, but between every French province. All these indirect taxes were farmed to a company, consisting of sixty *fermiers généraux*, ironically termed the sixty pillars of the State, a system first established in 1697, when the ministers of Louis the Fourteenth were face to face with an appalling deficit, and were at their wits' end to raise money. A syndicate of financiers relieved the immediate wants of the King by advancing a sum of ready money to meet the emergency, and they received in return the right of collecting the taxes. The *fermiers généraux* were appointed by the King for a period of six years, paying each year in advance a stipulated sum for the term. Their profits on the collection were estimated at a certain sum, and if it was discovered that the value of their "farms" appreciably exceeded the estimate, the amount of the contract, when it came to be renewed, was proportionately increased. Nominally the *fermiers*, as has been said, were sixty in number, but the King appointed twenty-seven more, under the name of "adjuncts." Then, again, in many cases the *fermier* was himself a man of straw, to whom the King gave the appointment as a favor. The office, however, was so profitable that men of wealth were always ready not only to supply the nominal *fermier* with the money to purchase the contract, but to subsidize him handsomely for the privilege of doing so. These partners were called *croupiers*—hence the modern term; but they were of two classes. The legitimate *croupier*, who invested his money

* Sybel's *Histoire de la Revolution*.

† Lecky's *History of England in the Eighteenth Century*.

in the speculation, was, according to the feeling of the time, engaged in a fair transaction; but the illegitimate *croupier*, who invested no money, and was placed as a charge on the "farm," was one of the most prolific causes of abuse connected with a bad system. This latter class of *croupiers* were either notabilities or court favorites—mere licensed plunderers of the people. Louis the Fifteenth gave *croupes* to his mistresses, and even had a share in one himself. The "farms" were also saddled with pensions imposed upon them by the King, whose daughters and daughters-in-law had their incomes augmented from this source. When Louis the Sixteenth ascended the throne, however, he transferred part of the *croupé* he had inherited from his predecessor to his faithful servant, Thierry, and restored the remainder to the treasury. In addition to these impositions, the *fermiers généraux* were expected to ensure the good will of each successive Controller-General by a considerable gift of money, and in 1774 the Abbé Terray received in this way a sum of 300,000 livres.

The extravagant expenditure of some of the *fermiers généraux* conveyed an exaggerated impression to the minds of the people as to the profit they derived from their contracts, and the odium which fairly attached to some of their number was indiscriminately applied to the whole body of them, though they included many honest and conscientious financiers and such distinguished men as Helvétius, Lavoisier, and Beaupon, the founder of the well-known hospital in Paris.

A more immediate cause of the hatred with which the masses regarded the *fermiers généraux*, and which ultimately sent thirty-two of them to the guillotine, was rather the nature of their work than the exorbitant profit they derived from it. They were perpetually brought into collision with the people through their agents, who were invested with power to make domiciliary visits, to seize goods suspected of being smuggled, and to take other measures of an invidious character to enable them to extort the taxes, so that they incurred the execration of the entire population.

The most harassing and arbitrary tax of all was the *gabelle*, and it may well appear inconceivable that in a populous and civilized country such an impost could be maintained at all. Out of the six districts into which France was divided for the purpose of this tax, it was levied only in four, as one had never been subjected to it, while another had in early times purchased its exemption from it. One of the inevitable consequences of this partial distribution of the tax was that the price of salt varied in different districts to an extraordinary degree, being as much as thirty times as dear in one part of France as in another. It was only natural that the inhabitants where the weight of the impost fell so oppressively should regard their neighbors in the more favored parts with envy, and that they should endeavor to equalize matters by smuggling salt into their districts. Carts and carriages were stopped on the highway and searched by the tax collectors; no private house was safe from a visit from them night or day; and on the slightest suspicion they used the power of arrest that was vested in them. It has been stated that during the first few years of the reign of Louis the Sixteenth, these arrests averaged 3,700 per annum; that upwards of 4,000 adults and 6,500 children were apprehended for smuggling salt alone; but whilst the majority were shortly released and others only fined, 300 were condemned to the galleys.*

Still, the unequal assessment of the tax might have been borne without much heartburning, but for the tyrannical laws under which the

* Some writers give a very much larger number.

people were forced to purchase this commodity. No retail dealing in it was permitted, and Government warehouses were established at which the inhabitants were compelled to purchase their stores of salt. These warehouses were numerous in some provinces, and few in others, but, whether sufficient or insufficient for the needs of the population, they were often situated at a considerable distance from the towns and villages, whose inhabitants had to trudge miles along bad roads to buy their salt. But this was not all. It was prescribed by law that the head of every family must lay in his stock of salt, not at such times as might suit his own convenience, but on one stated day, in the year. Should he fail in this observance he was fined, and he was also fined if he purchased a smaller quantity than the law prescribed. His hardships did not stop even there. On making this annual purchase, he had to state the different purposes for which he intended to use the salt during the ensuing year, and in the event of his being discovered salting his soup instead of his pork according to his statement, or his pork instead of his soup on the day he had named, he was also liable to a fine. His kitchen was never secure from the intrusion of the inspecting officer, and woe to the housewife who was detected in any petty infraction of this law.

As a matter of course, some of the important towns were exempt from the *gabelle*, as well as influential officials and magistrates in the country, whilst nobles escaped it altogether by receiving donations of salt under the name of *franc-salt*. We may well ask why this law was never abolished or modified? Simply because it returned millions of francs to an empty exchequer. And why was it not imposed on the untaxed provinces? Because these provinces had provincial States in which the clerical and noble element preponderated, who would have resisted to the utmost an infringement of their privileges, and whom the Government was afraid to offend.

Though not directly a tax, the *corvée* came within the spirit and had the result of taxation, and oppressed the lower orders as much as the *gabelle* itself. The provisions of the *corvée*, too, were as complicated and as varied as those of the salt tax. It may be sufficient to say, for the present purpose, that the rural population had to keep the main roads in repair without being remunerated for their labor. They were forced away from the fields at the time they could least be spared, occasionally having to travel twelve days to reach their allotted work, and they were compelled to repair the main roads, which were useless to them, while the parish roads on which they were dependent for their communications were allowed to go derelict.

These are some samples of the oppressions to which the rural classes in France were subjected until the eve of the Revolution, forming part of a system by which labor was hampered and the agricultural interest impaired. But the position of the artisan in the towns was not much more enviable, as there, too, the blighting influence of obsolete feudal institutions and false ideas of political economy operated to restrict trade, and fetter the energies of the skilled worker. In Continental countries, as well as in England, the control of the different trades had been in the hands of guilds from the earliest period of the dark ages. But though in their origin, and in the objects for which they were established, a general resemblance existed between the trade guilds of England and France in their gradual development, and especially in their later history, that resemblance diminished, until eventually it is no longer discernible. In England the trade guilds formed the basis of municipal institutions, in which, in process of time, they became absorbed; while the enormous industrial movement of the country,

together with the growth of individual enterprise, proved fatal to the preservation of monopolies that were obnoxious to that national sentiment which the Tudor monarchs knew so well how to direct and utilize. Labor was practically free in England from the middle of the sixteenth century. Not so in France. There in the middle ages the merchants and artisans, harassed by the rapacity of the feudal lords, banded themselves together in self-defense in corporations, under charters which they purchased from the Crown. By this means they were enabled to pursue their avocations with comparative freedom; the wages of the workmen were assured and were paid on a fixed scale. But the guilds which were thus established for the security of trade ultimately came to be turned into close corporations, maintained for the benefit of the masters, whose monopolist privileges were recognized and upheld by the King in consideration of payments to the royal treasury. It might have been expected that, when feudalism received its death-blow from Richelieu, and when the necessity for the corporations had disappeared, the industrial and commercial community in France would have been sufficiently enlightened to appreciate the good policy of removing all oppressive restrictions from the expansion of trade, as was done in England at an earlier period. But it served the selfish purposes of the Crown to perpetuate the privileges of the corporations, as they were turned into a valuable source of revenue. Every trade, artistic pursuit, and profession was tied up in the hands of one of these corporations, sanctioned by royal charter, and governed by statutes drawn with a rigorous determination to preserve their privileges and abuses intact, which statutes were administered by a body called the *Jurande*, composed of selected representatives of the corporations themselves.

The corporations consisted of three orders—masters, companions, and apprentices—the masters alone having the right to trade or make any profit. The statutes of each corporation differed as to the qualification for mastership, but they all concurred, in order to limit competition, on putting every possible difficulty in the way of adding to the number of masters. Some statutes prescribed that only the son could succeed the father in the mastership; others threw the position open to sons-in-law; others again enacted that only natives of the town in which the corporation was established were eligible; others excluded married men; from others women were altogether excluded, even from the trades which they were best suited to carry on—such, for example, as embroidery. As a fee was paid to the Crown on the appointment of every master, the King when in pecuniary straits often resorted to the plan of offering patents for sale as a means of raising money, and, to keep rivals out of the field, the existing masters of the corporations affected generally bought the patents and destroyed them, a species of toll which the King levied on them so frequently that it became a heavy burden, and to that extent constituted a further drawback to trade. The companion, who was indentured as an apprentice from his childhood, unless he was exceptionally fortunate, lingered the greater part of his life, or the whole of it, in a subordinate position, without hope of becoming an independent or useful citizen. By dint of perseverance and thrift he might eventually be able to buy a mastership, or perhaps he might succeed to one by marrying the widow or daughter of a master; but such cases were the exceptions. Thus even when the rights of labor ceased to be imperiled by the pretensions of feudalism, and the workmen no longer needed any protection, they were still reduced to a condition almost of slavery, and peace and security were constantly disturbed by the bands of vagrants and criminals, who were driven into evil-doing through the impossibility of obtaining employment, as a result of the commercial tyranny of the corporations.

It is a matter of surprise—but France is the land of surprises—that under such conditions trade flourished. But the resources of France are as inexhaustible as the activity, energy, and thrift of Frenchmen are prodigious. An abundance of raw products gave ample material for work, and there was much demand for manufactured goods. The extravagant wants of the Court, the clergy, and nobility kept the workshops going, and France had to supply all civilized countries with those artistic luxuries in the production of which she has always been unrivaled.

But although the looms of Lyons, and the workshops of Paris and the great cities brought commercial prosperity, agriculture grew hopelessly depressed. Of the then condition of the agricultural classes in France Arthur Young has given us a faithful and terrible account. During the eighteenth century famine had periodically decimated the rural population, and forty million acres had gone out of cultivation. Nevertheless the number of peasant properties had steadily increased, owing to the sale of their estates by the nobles who flocked to Versailles. One-fourth, certainly one-fifth,* of the soil of France had gradually passed into the hands of the peasants, who, however, profited little from the acquisition, as they were ruined by the *taille*. Now what means of redress had the French people, and who were the advocates they had to plead their cause?

[TO BE CONTINUED.]

BANKING AND FINANCIAL ITEMS.

EASTERN STATES.

CONNECTICUT.—Bank Commissioners Buck and Doyle have chosen Henry M. Cleveland, of Brooklyn, to be the third or deputy commissioner, with the especial duty of examining the trust companies of this State and the foreign trust and investment companies that do business in Connecticut.

HARTFORD, CONN.—On the 12th of May the new bank building of the Society for Savings was opened for inspection. A large number availed themselves of this opportunity to visit what is probably one of the most complete and beautiful bank buildings in the country. Every one is familiar with the exterior of the building, although the quaint and original stone carvings, the bas-reliefs in terra-cotta of the front have all too little chance for display in such a narrow passageway as Pratt street. Most of these beauties are up so high in the air that a stranger might pass the building a dozen times without noticing it particularly. At 9 o'clock the massive door was pushed back and the building thrown open for inspection. At the right of the entrance are spacious offices for the bank officials. Passing these the visitor steps out into the large open space of the bank proper. An ornamental wirework grating partitions off about three-fourths of the floor space and behind this are desks of the tellers, cashiers, clerks and accountants. The great bank vaults are within this enclosure, too, and it stands up like a house of iron. The lofty ceiling gives ample space for both light and air. High above, the ceiling ends in a dome with a skylight, which floods the whole place with abundant light. The beauty of the place is the wainscoting of the lobby. This is of eastern marble, most beautifully variegated in dark, rich colors, and is as high as a man can reach. The proper

* Lecky's *History of England in the Eighteenth Century*.

name of this marble is *Bois d'Orient*. There are no two slabs alike, and each one discovers new and unexpected beauties. The floor is composed of thousands of pieces of stone, broken in irregular shapes and laid in cement, and the whole polished smooth till it has the appearance of a mosaic.

MAINE.—At a gathering of the representatives of the various savings banks of the State in Portland an organization was formed to be called the Savings Bank Association of Maine, and a constitution was adopted. James Adams, of Bangor, was chosen a member of the executive council of the association. The idea of it, as stated in the preamble, is to promote the general welfare and usefulness of savings institutions of the State and to secure uniformity of action, together with the practical benefit to be derived from personal acquaintance, and from the discussion of subjects of importance to the banking institutions of the State. The company numbered about fifty. The formation of this association is something that has been contemplated for the past ten years or more, but it is only now that the project has taken form practically. It is in line with the action of savings banks in other States. Its object is to promote the welfare of savings banks. Fifty representatives of all the banks in the State were present. The following officers were elected: President, E. A. Noyes of Portland; vice-president, W. S. Badger of Augusta; executive council, Weston Thompson of Brunswick, A. G. Rogers of Portland, James Adams of Bangor, George S. Woodman of Auburn, E. P. Burnham of Saco, and the president and vice-president ex-officio.

MAINE.—Mr. Bion Wilson, of Portland, has been appointed by the President as Bank Examiner for Maine.

BANGOR, ME.—The First National Bank of Bangor has moved from quarters which it had occupied for more than thirty years to handsomely decorated and finished rooms in Nichols Block, Exchange street. This bank is one of the strongest in the State. It has been successfully handled and has been fortunate in having very able men in control of the management of its affairs. For many years such prominent business and financial men as Samuel F. Hersey, George Stetson, Albert Emerson and others were connected with it. Mr. E. G. Wyman, its present cashier, is a gentleman of marked ability. He is enterprising and progressive. Much of the success which has attended the institution in recent years is unquestionably due to the scrupulous care and fidelity with which he has managed the important trusts committed to his hand.

BOSTON, MASS.—The Bank Officers' Association held its annual meeting and jollification in Faneuil Hall. Nearly 300 were present. President George B. Ford presided over the business deliberations, which began about 4 o'clock. The report of the treasurer, Mr. Henry A. Tenney, showed a balance brought forward of \$418.86; receipts for the year, \$3,575.25; paid out for death benefits, \$1,984; all other expenses, \$1,087.81; balance on hand, \$922.30. Here are a few facts from the report of Secretary E. A. Stone: The following members died during the year: Mr. Alfred D. Hale, Mr. William E. Hooper, Mr. George Phippen, Mr. William Hunt and Mr. Galen Holmes. Total death benefits to date, 39; total amount of death benefits paid, \$16,458. Earnest efforts have been made during the past year to secure a substantial nucleus for a permanent fund and with encouraging results, \$100 each having been subscribed by the following banks: Third, Winthrop, State, Central, Atlas, Howard, New England, Second, Merchants, Webster, Broadway, Market, Globe, North, Columbian, Boston, Hyde and Leather, Mount Vernon, Republic, Faneuil Hall, Continental, Shawmut, Boylston, Commonwealth, Revere, Redemption, North America, Tremont. The fund now amounts to nearly \$5,000, and the committee are expecting to hear from many other banks yet. By a unanimous rising vote the thanks of the association were tendered the secretary for his effective work in swelling the permanent fund. It was voted that hereafter the death benefit shall be \$300, with \$5 additional for each year of continuous membership served by deceased. The last business transacted was the substantial re-election of the old board of officers. The new members of the board are Vice-presidents George B. Warren and T. Frank Pratt, Directors F. M. Hooper and H. O. Fuller; Mr. E. Phippen, trustee for two years, and Mr. J. C. Holmes, chosen for the auditing committee. A collation followed, and later a concert programme of considerable variety was given by an excellent orchestra and glee club.

PALMER, MASS.—L. E. Moore, the retiring treasurer of the Palmer Savings Bank, has received a handsome indorsement in the report of C. H. Hobbs, C. E. Getchell and R. C. Newell, the committee appointed to investigate the condition of the institution. They engaged George May, an expert, and his finding is published in detail. The committee say, among other things: "Our instructions to Mr. May were to make the most thorough examination possible without calling in the depositors' pass-books, which we understand was not contemplated in the appointment of this committee. The report of the examiner would seem to be a sufficient answer to any criticism which may have been made with reference to the management of the bank. Perhaps we ought to add Mr. May's statement to your committee that with an experience of over 25 years in looking over accounts it was his belief that few institutions could make a more favorable statement with reference to its collections and present condition of affairs." Mr. Moore will now actively devote himself to the work of organizing a new National bank at Worcester.

NEW YORK.—Comptroller Eckles has appointed J. C. Graham of Albany, N. Y., National Bank Examiner for the Northern District of New York, vice L. H. Groesbeck, resigned.

NEW YORK CITY.—Edward O. Leech, the Director of the Mint, has resigned. The resignation of Mr. Leech was purely voluntary. He resigns to accept the place of cashier of the National Union Bank of New York, which is to be opened in that city on June 1. He was born in Washington, D. C., on December 9, 1850, and was only thirty-eight years old when he was appointed Director of the Mint. He was the youngest man ever to fill that office. His education was received at the Everett Institute at Washington and afterward at the Columbian University, from which institute he was graduated in 1869 with second honors in his class. When his father died in 1869 young Leech was appointed a clerk in the Bureau of Statistics in the Treasury Department. When the Bureau of the Mint was organized, in April, 1873 Dr. H. R. Linderman, the first Director, selected Mr. Leech as one of his assistants. He held successively the places of assay clerk, adjuster of accounts and computer of bullion in the Bureau of the Mint. He found time to take a course of law at the National Law University at Washington, and was graduated as Master of Laws in 1886, after a three years' course of study. Mr. Leech did not attempt to practice law, but continued his connection with the Mint. He took special charge of the technical bullion and coin accounts. For many years he had the direction of the preparation of the monetary statistics published in the reports of the Director of the Mint, statistics which are eagerly looked for by economists and public men in the United States and in Europe. Mr. Leech enjoys the reputation of being the best informed man in the country on the monetary systems, past and present, of the different countries of the world, and on monetary and precious metals statistics generally. He is a pronounced bimetallist. On October 16, 1889, Mr. Leech was appointed Director of the Mint by President Harrison, his selection being widely commended. The National Union Bank, where Mr. Leech becomes cashier, has just been organized with a capital of \$1,200,000 and will be opened for business in the Mutual Life Insurance Company Building on June 1. Its president is Joseph C. Hendrix, formerly Postmaster of Brooklyn, and G. G. Haven is vice-president. The other directors are S. D. Babcock, John D. Crimmins, Frederick Cromwell, R. Somers Hayes, A. D. Juillard, Luther Kountze, Richard A. McCurdy, Frederic P. Olcott, Oliver H. Payne, Henry H. Rogers, H. McK. Twombly and William C. Whitney.

NEW YORK CITY.—Robert M. Field, a well-known banker of this city, died last month, aged eighty-five. Mr. Field was born in Astoria, L. I. When only fifteen years old he entered the employ of Benjamin Blossom, a New York shipping merchant, and was afterward admitted to partnership. He became connected with the Bowery Savings Bank over thirty years ago, and was at the time of his death its second vice-president and the oldest official of the bank. He had been a director of the Mechanics and Traders' Bank, and connected with several other institutions. Mr. Field was the oldest member of the Church of the Messiah. His third wife, three sons and three daughters survive him.

BROOKLYN, N. Y.—The stockholders of the new People's Bank celebrated their

entrance into the financial world with a dinner at Arion Hall. Most of them were there, with a few friends, and all the working staff of the new institution. President James Gascoine sat at the head of one of the half dozen tables. On either side were President John G. Jenkins, of the First National, and President Henry Battermann, of the Broadway. Gathered about the board were, among others, Register Kenna, S. S. Whitehouse, Charles G. Bennett, Louis Graf, Homer L. Bartlett, William Debevoise, James T. Chesnutt, J. George Herold, Jr., James A. Canfield, Robert Evans, Jacob Mannes Schmidt, William Andrews, J. W. Hawkes, George C. Klein, George H. Woodworth, Simon Hirsch, Frank Hyde, Thomas Orr, William Muir, Michael Nathan, H. Bernard Coombe, Henry Grasman, W. A. Powers, M. E. Bannin, Louis Beer, Jacob Mayer, B. J. McLoughlin, A. Wiener, Conrad Noll, Charles S. Cutter, Henry C. Atwood, H. F. Adams, Anton Vigelius, Max Brill, Joel B. Goodman, John L. Gaus, Dr. J. H. Droge, Theodore Engelhardt, John Welz and W. L. Andrews.

BUFFALO, N. Y.—The city is trying to get more than 2 per cent. on its deposits. At the last meeting of the Board of Aldermen the committee reported against renewing the city's contracts with the various banks for the deposit of the city's funds at 2 per cent. One of the propositions considered was to have the banks pay $2\frac{1}{2}$ per cent. for three months in the year immediately following the collecting of taxes, when there is so much money coming in a bunch that the bankers cannot readily use it all, and three per cent. during the other nine months. The other scheme was to invite bids from the banks in syndicates of five. The Bankers' Association was represented by C. A. Sweet, W. H. Walker, George Sandrock, Capt. M. M. Drake, W. C. Cornwell, S. M. Clement, Jr., Arthur D. Bissell. These representatives argued that the banks were paying all that they could afford to pay. At certain periods last year, so they said, the money received from the city did not earn 2 per cent. for the banks, but was idle for four or five months of the year. The banks were obliged to reserve 25 per cent. of the amount deposited in order to meet any demands and secure the safety of the city's deposits, and this cut down the profit of the banks to a small amount. Alderman Smither, the chairman of the Finance Committee, did most of the talking on the other side. He read letters from the city treasurers of Cleveland, Detroit and Rochester which showed that in these places the banks were paying 3 and 4 per cent. interest on the city deposits. Mr. Smither said he could see no reason why the banks of Buffalo should not pay as much as the banks in these other cities. He seemed to be of the impression that the city was being cheated out of large amounts every year. Capt. M. M. Drake, in behalf of the bankers, said that all the banks were willing to pay the city all the interest that they could afford, but that it was impossible to think of paying more than 2 per cent. at present. Alderman Burgard wanted to know how it was that the banks could pay 4 per cent. on the Police Pension Fund and only pay the city 2 per cent. Mr. W. C. Cornwell replied that the pension fund was deposited all the year round and the city's money was not. He said the banks could afford to pay 4 per cent. on the Police Pension Fund and could not afford to do so on the city deposits. Mr. George Sandrock said that the banks of Buffalo are the safest banks in the Union. The bondsmen of these institutions represent \$30,000,000 and the stockholders paid about one-half of the city taxes. In loaning money the banks never took any risks and could not afford to put the city's money out in insecure investments.

PENNSYLVANIA.—National Bank Examiner Charles H. Dengler, of Pottsville, has been appointed by the Comptroller of the Treasury to go to Detroit, Mich., to spend several months there in the examination of the National banks in that State. Mr. Dengler was appointed to the position of bank examiner on November 27, 1891. His appointment was well received in financial circles, and his services have been such as to command the confidence of the department. Mr. Dengler's expertness as an accountant and his experience in financial affairs has made him so efficient as an examiner that frequently the Comptroller of the Treasury calls upon him to discharge the work of the Government in other States. Mr. Dengler's prompt action in closing the bank at Muncy during the first few months of his career as a bank examiner gave him a status with the department.

PHILADELPHIA.—The Bank of North America has finally secured the Yerkes property, on the north side of Chestnut street, west of Third. The transfer was made on April 28 by Charles T. Yerkes, Jr., for a consideration of \$50,000. The

lot measures 19 by 118.4 feet and adjoins land now owned by the bank. John H. Michener, president of the Bank of North America, has examined several plans for the building to be erected upon the site, but has not finally decided which to accept.

PROVIDENCE, R. I.—The annual meeting and banquet of the Bank Clerks' Mutual Benefit Association was conspicuous for a carefully prepared programme of events as regards both physical and mental refreshment. About 400 members and guests partook of a bountiful collation. The annual meeting of the association was held at 5 o'clock and the election of officers for the ensuing year resulted as follows: President, J. W. Vernon, Merchants' National Bank; vice-president, W. W. Paine, Second National Bank; treasurer, Eben McGregor, Roger Williams National Bank; secretary, G. L. Barnes, First National Bank; three-years directors, J. L. Foster and G. W. Miller; social committee, H. B. Dean, John G. Massie, W. R. Sayles, B. B. Manchester, G. A. Freeman, Edward S. Clark and H. A. Hunt. Then the party adjourned to the banquet hall, and for an hour or more the footing of long columns of figures and the care of huge books was forgotten in the discussion of the good things spread before them. At length the elaborate menu had been fully discussed. President Vernon called the assembly to order, and in a few brief sentences thanked the members for the honor of being chosen president, and introduced the retiring president, George C. Noyes. Mr. Noyes was greeted with great enthusiasm and spoke of the progress made by the society since its beginning. From a membership of forty the organization has developed rapidly, until now the roll numbers 200 names, while the funds amount to \$28,000. Among those present were Governor D. Russell Brown, Hon. George A. Marden, Treasurer of Massachusetts; Hon. Oscar Lapham, Hon. Samuel Clark, ex-Governor Royal C. Taft, president of the Merchants' National Bank; Hon. C. H. George, president of the Roger Williams Bank; Rev. Dr. E. Benj. Andrews; George L. Littlefield, president First National Bank; James M. Kimball, president Second National Bank; George B. Calder, president Weybosset National Bank; Hon. L. B. Darling, president Pacific National Bank, Pawtucket; Hon. Henry A. Stearns, Rev. Herbert Mott, Hezekiah Conant, president of the Pawtucket Institute for Savings; Dr. A. A. Mann, president of the Franklin Savings Bank, Pawtucket; John Waterman, president First National Bank of Warren; Chief Justice Matteson, City Treasurer Granger, Charles E. Thomas, president Producers' National Bank, Woonsocket; Professors John H. Appleton and Henry B. Gardner of Brown.

VERMONT.—The 900 or more depositors of the Vermont and Brattleboro savings banks are being notified by mail to bring their books for examination during the month of May in accordance with the law which provides that in the year 1893 and in every third year thereafter the trustees of the savings banks and other institutions of savings shall call in the books for examination and verification by some person or persons other than the trustees. James Dalton will examine those of the Vermont and E. D. Whitney those of the Brattleboro bank.

WESTERN STATES.

ARKANSAS.—The Association convened at Hot Springs. The meeting was called to order by President S. H. Horner, of the Bank of Helena. Hon. George G. Latta, of Hot Springs, delivered the address of welcome, extending to the bankers the hospitalities of the city. An appreciative response was made by the president. For the ensuing year, Charles N. Rix, of the Hot Springs National Bank, was elected president. Vice-presidents were elected as follows: First District, Sam A. Werner, of Helena; Second District, F. H. Head, Pine Bluff; Third District, W. K. Ramsey, Camden; Fourth District, Oscar Davis, Little Rock; Fifth District, J. B. Carter, Ozark; Sixth District, R. M. Johnson, Newport. Among those who read papers were Judge W. S. McCain, on "Days of Grace," and Creed T. Walker, on "Bank Credits," both of Little Rock. The following resolution was adopted: *Resolved*, That the Arkansas Bankers' Association believe that the currency of the Government should be of as high credit as that of any nation on the globe, and the members do hereby express their high appreciation of the wise efforts of the Secretary of the Treasury to maintain such result. We extend to him our hearty congratulations upon his patriotic efforts to maintain our

national currency in a manner that will cause any dollar issued by the United States to be equally current as any other dollar, and members are hereby pledged to the support and encouragement of the Secretary of the Treasury in such patriotic efforts, and we hold ourselves in readiness to furnish him in exchange for Treasury notes all the gold we have or that we can secure for that purpose.

ILLINOIS.—Bank Examiner Kenyon has issued a statement showing that the total reserves of the banks of the State, as reported at the close of business March 6, amounted to \$110,162,577.65. This includes 130 State banks and 75 National banks. The State banks of Minneapolis present a total of resources of \$16,941,419.66, while those of St. Paul loom up with \$9,968,530.72. The loans and discounts in Minneapolis were \$12,237,719.47, while in St. Paul this item was \$6,720,378.19, and in Duluth \$3,555,605.95. The total loans for the State from both State and National banks is \$78,254,743.18.

CHICAGO.—M. J. Sursock, a Turkish banker, whose wealth is estimated at \$50,000,000, intends to establish a branch of his banking house at Chicago.

MICHIGAN.—George B. Caldwell, ex-State Accountant, has been notified of his appointment as National Bank Examiner for Michigan, and ordered to Washington to prepare for his duties.

WADENA, MINN.—The organization of the Merchants' National Bank of Wadena has been effected by the election of the board of directors and officers. Directors are Isaac Hazlett, J. J. Meyer, John Howe, A. G. Broker, Charles Erickson, Frank Coon and J. L. Barnes. The directors held a meeting later and elected officers as follows: I. Hazlett, presiding; president, J. J. Meyer; vice-presidents, A. G. Broker and Isaac Hazlett; cashier, A. L. Irwin; assistant cashier, W. E. Parker. The interested parties are putting up a splendid new bank building which they expect to occupy by July 1, 1893, when the new bank will be open for business.

MISSOURI.—The Executive Committee of the Missouri Bankers' Convention have changed the dates of the convention to June 15, 16 and 17, inclusive, to accommodate members who desire to attend the Bankers' Congress, which meets in Chicago June 19. A number of New York and Chicago bankers will address the Missouri Convention and, as there will be a large number of ladies in attendance, there will be a ladies' reception. Fully 300 bankers and 100 ladies, it is expected, will be present at the convention.

MISSOURI.—The State Treasurer, Lon V. Stephens, has issued a circular letter in regard to the law requiring bond investment companies to deposit \$100,000 of securities with the Treasurer before engaging in business. In his letter the Treasurer says: "After carefully examining the act passed by the Thirty-seventh General Assembly in relation to bond investment companies, I do not think that I have any authority to accept a bond conditioned for the protection of investors, but the act clearly requires the deposit with me of cash or securities that can be converted into cash. A bond of indemnity is not within the provisions of the law. There can be little question about this from the language used in the first section of this bill. If it had been intended that an indemnifying bond should be given, different language would have been used; and the conditions that the bond should contain, to whom payable, and who might sue thereon, would be set out. The paper construction is also set out by sec. 4, 'The deposits may be paid out, etc.' showing that money, or its equivalent, is meant. There is no provision in the act for recovering upon a bond with collateral conditions. I am clear, therefore, in the opinion that the law requires the deposit of cash, or securities that can be turned into cash, and that the execution of a bond conditioned to indemnifying the investors will not be a compliance with the statute."

NEBRASKA.—The Cass County Commissioners have ordered the Bank of Greenwood to pay interest on the county deposits or the county will withdraw its deposits, amounting to \$75,000.

COLUMBUS, OHIO.—At a meeting of the stockholders of the Ohio Savings Bank it was decided to increase the capital stock from \$100,000 to \$150,000.

SHERBOGAN, WIS.—The Badger State National Bank of this city will be the third bank here. It will have a capital of \$100,000 and open for business in two months. The banking capital stock has been taken, of which \$60,000 is outside

capital. The bank will be under the management of John E. Thomas, the president of the Dairyman's Bank of Sheboygan Falls.

MILWAUKEE, WIS.—J. B. Canterbury, of La Crosse, has won a suit against the Bank of Sparta. The action was to recover a draft of \$700 sent by the Bank of Sparta to the State Bank of La Crosse, which was intercepted by the former bank before its delivery at the post-office in La Crosse. The plaintiff received the verdict upon the ground that when the draft was delivered at the post-office in Sparta it became the property of the State Bank of La Crosse. The reason of the withdrawal of the draft was the failure of W. E. Coats, whose note Mr. Canterbury had indorsed.

MILWAUKEE, WIS.—The quarterly banquet of the Milwaukee Bankers' Association was held at the Pfister Hotel. About thirty-five members of the association sat down to the table. After the bill of fare had been tested, the gentlemen present spoke informally in regard to the amendments to the banking laws of the State passed by the recent Legislature. The affair was one of the most pleasant meetings of the association. All the leading bankers of the city were present, and the general sentiment of the speakers was that there was cause for thankfulness on account of the adjournment of the Legislature without passing any further banking laws. There was no objection raised to any of the laws that were passed. There was some doubt expressed as to the meaning and some speculation about the probable effect they will have on practical financial operations in the State. The point that caused the most speculation was the effect that will be caused by the act abolishing the three days of grace. Several invited guests were present, including E. P. Bacon, president of the Chamber of Commerce; J. E. Friend and George Miller. Each guest received a large bouquet of roses to carry home.

SOUTHERN STATES.

ALABAMA.—The State Bankers' Association met in Birmingham, W. R. Rison, of Huntsville, president. The committee on nomination of officers reported the following slate: For president, E. B. Young, of Eufaula; vice-president, W. G. Brockway, of Gadsden; treasurer, T. S. Plowman, of Talladega; secretary, T. O. Smith, of Birmingham. The slate was adopted by acclamation. Mr. Young took the chair and Mr. Smith the desk. Argument was resumed on "Par Points and Reciprocal Accounts." The propositions reported by the committee were as follows: 1. That all par points in Alabama be abolished by all Alabama banks. 2. That all balances shall be remitted in exchange. 3. Whenever a balance or part thereof is ordered out in cash, a charge equal to the exchange shall be made for shipping. 4. Whenever a balance or part thereof is checked out, exchange thereon shall be charged to the checking bank. Mr. Mooring desired the report adopted as a recommendation to the bankers. J. B. Cobbs and R. M. Nelson were for their adoption also. F. S. Moody thought compulsion the wrong way. After much argument, pro and con, General R. D. Johnston, of Birmingham, moved an amendment to the report, providing that whenever the report shall be ratified by fifty of the banks in writing to the secretary, the secretary shall give notice that the rules are in full force and standing. The report, with the amendment, was adopted by a vote of 18 to 6. An inquiry brought out the statement that if fifty banks assented, all other banks not intending to abide by the rules would be expected to withdraw from the association, whereupon Mr. Moody said that he was opposed to forcing members out on that account. Let them stay in and continue their "evil ways," and let those who agree to the rule abide by it. He was confident that those who opposed the resolutions would finally come around; would change their way of thinking. Mr. Moody then moved that the resolution as to the par point and collections apply to such banks only as assent thereto, and this motion was agreed to. "Banker and His Customers" was a topic ably handled by Joseph F. Johnston. Hinton E. Carr and J. B. Greene spoke on the same subject. Henry A. Young offered the following: "Resolved, That our senators and representatives in Congress be requested to vote and work for the repeal of the Sherman law of 1890." Joseph F. Johnston wanted the Sherman act until something better could be gotten. W. P. G. Harding read a paper, in which he attacked silver as fiat money. He was for any change from the present system of

coinage. General Johnston did not want silver debased. Joseph F. Johnston moved to lay the motion on the table. Lost. The resolution offered by Mr. Young was adopted by a vote of 9 to 6.

GEORGIA.—The second annual meeting of the Georgia Bankers' Association will be held at Savannah June 8th and 9th. The first day will wind up with an excursion to Tybee and banquet.

NEW ORLEANS, LA.—The Teutonia Savings Bank has been opened, with Mr. Henry Wellman for president. He was born in Germany in 1845, and came to New Orleans when a young man of 20. He can justly lay claim to being a self-made man, as he made all his money and his friends by his own exertions, and has risen to his present position by energy, industry and perseverance. His first occupation was as driver of a wagon for a woodyard. From that place he worked his way into the building business and became a contractor. He remained in the latter vocation until he successfully carried off many of the largest contracts in the city and acquired a competency. He is the president of the Orleans Manufacturing and Lumber Company, the Keystone Lumber and Improvement Company, and of the Mutual Loan and Building Company. In addition to these positions, he is a director of the Interstate Insurance Company, the Teutonia Insurance Company and of the Bank of Commerce. Despite his many commercial duties he has found time to do service as a citizen, and takes a deep interest in the city's progress. Mr. Wellman has been a member of the State Board of Health, and is now one of the Fire Commissioners. He is also prominent in religious circles, especially in the charitable department of the Church work, and is superintendent of a Sunday school, president of the German Protestant Home for the Aged and Infirm, a director of the German Protestant Orphan Asylum and also of the Homeopathic Hospital. It was only natural that when he and several of his associates suggested the idea of a savings bank that the capital should have been readily forthcoming and the institution ready for business within two weeks from the time the project was mentioned. The other directors of the Teutonia are Jeff C. Wenck, Henry P. Dart, Michael Frank, Henry Haag, John R. Meyers, Albert P. Noll, Eugene Buhler, Charles H. Schenck, Charles Wirth, John Fitzpatrick, Otto Walther, Peter Blaise and H. F. Klumpp. Mr. Charles H. Schenck, the City Treasurer, is the vice-president.

NEW ORLEANS.—The Southern National Bank has acquired control of a large amount of the shares of the Hibernia National Bank, and the two institutions are to be consolidated under the name of the Hibernia National Bank. At the morning call of the Stock Exchange some of the shares of the Southern National Bank were offered at 114 and were promptly taken. This started lively bidding, and before the close of the call shares sold at \$120, and the closing quotations were \$119 bid, \$130 asked. The report of the sale of the Hibernia shares to the Southern National Bank soon became current at the Stock Exchange and the details of the transaction were much discussed. One of the leading brokers, who is a stockholder in the Southern Bank, stated that the deal meant practically the consolidation of the two banks under the name of the Hibernia National Bank, and that the business would be carried on at the old location of the Hibernia. This would, of course, necessitate the liquidation of the Southern. The stock of the Hibernia which had been purchased would be distributed among the stockholders of the Southern, four shares of the Hibernia being given in exchange for ten shares of the Southern, each shareholder receiving in addition \$20 in cash per share. Mr. J. W. Castles, president of the Southern National Bank, was seen by a representative of the *Picayune* and asked for his version of the transaction. The gentleman stated that himself and associates have purchased from Mr. George R. Preston a large part of his holdings of stock in the Hibernia National Bank. The business of the Southern National Bank will be absorbed by the Hibernia, of which bank he (Mr. Castles) is to become president, associating with the present board of directors some of the directors of the Southern National Bank. Mr. Preston will remain in the directory. The importance of this consolidation, added Mr. Castles, will be apparent, as the deposits of the two banks will aggregate over \$3,000,000, giving the bank large and increased facilities for serving the public under the generous management which has characterized the conduct of both banks heretofore.

MISSISSIPPI.—The State Bankers' Association of Mississippi met at Yazoo City.

The attendance was not as large as was expected, but almost every bank of the State was represented. The Association was welcomed in an address by Mr. L. Lippman, president of the First National Bank of that city, and was responded to by Mr. J. A. Conway, cashier of the People's Savings Bank of Vicksburg. The convention was presided over by Mr. A. G. Campbell, president of the First National Bank of Natchez, whose address was a most excellent one. Subjects pertinent to the banking interests were discussed and several able papers were submitted. Secretary and Treasurer B. W. Griffith, president of the First National Bank of Vicksburg, made his report, showing something over \$500 surplus in the treasury of the Association. Fifty of the seventy-four banks in the State are members of the Association. R. W. Millsaps, of Jackson, was elected president, and B. W. Griffiths, of Vicksburg, vice-president for the ensuing year.

TENNESSEE.—The State of Tennessee, for the first time since the creation of the existing State debt, is ready to pay the July interest without borrowing any money, and there is now no more floating debt. This is a most pleasing bit of information, and tells more forcibly than can be told in any other manner of the progress this great commonwealth has made in the past ten years. State Comptroller Harris is authority for the statement that the State is prepared to meet the July interest without making the loans that have been previously made twice every year. Mr. Harris further says that the State of Tennessee is in better shape financially than ever before. The State of Tennessee has passed through a trying ordeal the past ten years. In 1883, when the State debt was adjusted, the total value of taxable property in Tennessee was \$250,000,000; in 1893 it exceeds \$400,000,000. Since 1883, besides meeting current expenses and interest account, the State has paid out of its revenues for extraordinary demands more than three million dollars, the principal items of which were the \$1,000,000, on account of the Torbett issue, \$600,000 for two insane asylums and \$400,000 lost by the defalcation of State Treasurer Polk. All of this has been paid, and to-day the State has not a cent of floating debt—a condition it has not been in since the war. The net revenue of the State from all sources in 1883 was, in round figures, \$1,000,000; in 1893 the revenues will exceed \$1,500,000. The outstanding debt of the State amounts to \$16,000,000, \$14,000,000 of which is represented by 3 per cent. bonds and the balance by 5, 5½ and 6 per cent. bonds. To meet the interest accruing thereon the State has been obliged for years to procure temporary loans. These loans amounted to \$500,000 less than two years ago. The total tax rate has at no time exceeded the present rate of 45 cents. The improved condition of the State finances will have a good effect on all branches of business in the State; the money that has heretofore been borrowed semi-annually from the banks by the State can now be used for other purposes. It is expected to refund all the 5, 5½ and 6 per cent. bonds by the issuance of a 4½ per cent. bond before the end of the year. The necessary legislative authority has been secured.

TENNESSEE.—The bankers of Tennessee, representing eighty-five banks, assembled in Knoxville in annual convention. A resolution petitioning Congress to repeal the Sherman law was unanimously adopted. At the convention held last year a similar resolution was presented, but withdrawn on account of some difference of opinion. Among the specially prepared papers presented to the convention are the following, on the subjects and by the persons herein named: "Duties of Bank Directors," by Herman Justi, president of the First National Bank, Nashville; "The Cashier," by M. P. Jarnagin, president of the Mossy Creek Bank, Mossy Creek; "State Bank Issue" and "Repeal of the Ten Per Cent. Tax," by Hon. John R. Goodwin, president Mercantile Bank, Memphis; "Do Our Existing Banking, Currency and Financial Systems Meet Present Business Conditions?" by Charles E. Stivers, cashier City Savings Bank, Chattanooga; "The Chronicles," by D. S. McIntyre, president of the Citizens' Bank, Johnson City, Tenn.; "Management of Bank Clerks," by John W. Faxon, assistant cashier First National Bank, Chattanooga. H. B. Branner, of Knoxville, was elected president; G. N. Henson, first vice-president; Herman Justi, Nashville, second vice-president; F. O. Watts, Union City, third vice-president; J. H. Smith, Memphis, treasurer; J. W. Faxon, Chattanooga, secretary. The new Executive Committee consists of W. H. Meadow, Waverly; A. J. Rooks, Somerville; George S. Crouch, Morristown.

TEXAS.—The ninth annual convention of the Texas Bankers' Association con-

vened at Antonio on the 16th of May. There was a large attendance. The convention was presided over by President A. P. Wooldridge, of Austin. Hon. Geo. Paschal, Mayor of San Antonio, delivered the address of welcome in behalf of the city, and the response was made by T. J. Groce, of Galveston. President Wooldridge then delivered his annual address, in which he discussed briefly various financial and banking questions. He believed that the tax on State bank issues should not be repealed. The reports of the secretary and treasurer were read. They showed that the association was in a flourishing condition. During the afternoon session J. G. Lowdon, of Abilene, gave an address on "Three Days' Grace! Should the Practice be Abolished?" He favored the abolishment of three days of grace on sight drafts, and a resolution was adopted by the meeting supporting his position. W. Goodrich Jones, of Temple, read a humorous paper on "Country Bankers." A resolution was unanimously adopted favoring the repeal of the Sherman Act, and declaring against free and unlimited coinage of silver.

GALVESTON, TEX.—Mr. Henry Rosenberg, the banker, who died last month, bequeathed more than half his fortune of \$1,000,000 to public charities. During his life he erected a public school building here at a cost of \$100,000, and gave quite as much more in various ways. His will provides for the erection of a church, endowments for widows' and orphans' homes; gives \$30,000 for drinking fountains; \$50,000 for a monument to heroes of the Texas Republic and \$25,000 for a public library. Family and friends are provided for to the amount of \$400,000. Gifts to Galveston aggregate \$520,000.

RICHMOND, VA.—The Citizens' Bank has removed to the Chamber of Commerce building, corner of Ninth and Main. The bank has elegant quarters. The hardwood, marble, tiling and tinted walls combine to make the place at once beautiful and bank-like. There are few finer banking houses in the South. Only one bank in Richmond has more desk-room. The vault is large and fireproof. The board room is in the rear of the bank and is large and comfortable. Many well-known citizens called to see the new quarters and to congratulate President W. J. Johnson and Cashier S. G. Wallace.

FOREIGN.

MEXICO.—At the third annual meeting of the International and Mortgage Bank of Mexico a report and statement of accounts covering the year 1892 were submitted to the shareholders by the cashier, Mr. Joaquin de Trueba. In regard to the transactions of the bank in mortgage loans during 1892, Mr. Trueba said: "The bank had hoped that the opening up of new markets for its bonds would indirectly enable it to increase its loans on mortgage, but during the year under review the creation of a foreign demand for the bonds of the bank proved totally impracticable—a circumstance due, in part, to the continuance of the financial depression to which I alluded on a former occasion, and in part to the heavy depreciation of silver and the consequent discredit of all kinds of silver securities in foreign markets. The market for our bonds being thus restricted to Mexico, there was reason to apprehend that their price would decline in proportion to the increase of our mortgage loans, and that the depreciation of the bonds would in turn exert an adverse influence on the volume of those loans. Happily the event proved otherwise, and I am able to report an increase of our mortgage loans from \$469,200 in 1891 to \$962,000 in 1892." The item of current accounts increased from \$3,857,977.68 in 1891 to \$7,632,707.27 in 1892; that of check accounts from \$14,437,624.84 to \$32,782,974.44; and that of deposits from \$120,216.02 to \$1,556,775.50. These gains evince the growing popularity of the bank with the general public and the mercantile community. In the item of discount operations the business of the bank shows a slight contraction during 1892 as compared with 1891, the figures for the two years being, respectively, \$3,789,331.51 and \$4,412,028.05. But the falling-off in the volume of this item, due to the prudent policy pursued by the bank in regard to its cash reserve, is very nearly compensated by the higher discount rate charged in 1892, the net profits from this source during the latter year being \$166,918 as compared with \$167,077.19 in 1891. In foreign exchange the bank succeeded in largely expanding its business in 1892, in spite of the highly unfavorable and unsettled condition of the silver market. The profits from this source in 1892 were \$91,858.20 against \$73,910.93 in 1891. The total

profits on the business of 1892 were \$213,745.35. Mr. Trueba draws the attention of the shareholders to the substantial increase of the business of the institution during 1892, as compared with previous years, and regards it as an earnest of still further expansion in the future.

MONTREAL.—The annual statement of the Bank of Montreal for the year ending April 30 has been issued. The profits for the year were \$1,327,810. Two dividends of 5 per cent. each were paid, amounting to \$1,200,000. The earnings amount to about 11 per cent. on the capital stock.

Sterling exchange has ranged during May at from 4.87½ @ 4.89½ for bankers sight, and 4.84½ @ 4.86 for 60 days. Paris—Francs, 5.17½ @ 5.14½ for sight, and 5.20 @ 5.16½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85½ @ 4.86; bankers' sterling, sight, 4.89½ @ 4.89½; cable transfers, 4.90 @ 4.90½. Paris—Bankers', 60 days, 5.18½ @ 5.18½; sight, 5.16½ @ 5.16½. Antwerp—Commercial, 60 days, 5.20½ @ 5.20. Reichmarks (4)—bankers', 60 days, 94½ @ 95; sight, 95½ @ 95½. Guilders—bankers', 60 days, 40 @ 40 1-16; sight, 40½ @ 40 5-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	May 1.	May 8.	May 15.	May 22.	May 29.
Discounts.....	6½ @ 9	6½ @ 9	8 @ 10	8 @ 10	8 1/16 10
Call Loans..	12 @ 5	6 @ 4	4 @ 2	3½ @ 2	5½ 1/16 2
Treas. balances, coin..	\$60,804,918	\$60,793,137	\$62,027,117	\$57,412,345	\$56,591,094
Do. do currency..	15,745,333	13,222,868	12,259,131	15,028,242	13,474,778

The reports of the New York Clearing-house returns compare as follows:

1893	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
May 6.	\$425,728,200	\$70,168,700	\$51,159,400	\$433,971,700	\$5,598,000	\$12,335,175
" 13.	420,827,700	70,802,900	55,708,600	434,865,900	5,633,500	17,795,025
" 20.	416,951,300	71,231,100	62,861,900	438,683,300	5,589,100	24,422,175
" 27.	415,901,600	70,657,100	63,964,000	436,724,700	5,620,700	25,839,925

The Boston bank statement is as follows:

1893.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
May 6.....	\$153,462,800	\$6,479,300	\$7,078,400	\$134,700,200	\$6,113,000
" 13.....	152,210,400	6,369,700	7,664,300	131,382,800	6,103,900
" 20.....	150,653,100	6,539,200	7,194,100	130,685,100	6,120,800
" 27.....	149,956,900	6,561,600	6,744,500	127,021,600	6,069,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1893.	Loans.	Reserves.	Deposits.	Circulation.
May 6.....	\$102,575,000	\$30,040,000	\$104,663,000	\$3,574,000
" 13.....	103,158,000	28,572,000	103,691,000	3,579,000
" 20.....	102,875,000	28,332,000	102,444,000	3,581,000
" 27.....	102,795,000	28,484,000	101,955,000	3,594,000

DEATHS.

CAMP.—On May 21, aged sixty-nine years, JOHN N. CAMP, President of First National Bank, Middletown, Conn.

FULTON.—On April 26, aged fifty-two years, S. A. FULTON, President of First National Bank, Marysville, Kan.

MERRIAM.—On May 22, aged seventy-one years, ELA N. MERRIAM, Cashier of First National Bank, Ogdensburg, N. Y.

SHARP.—On May 26, aged seventy-seven years, WM. SHARP, JR., Cashier of Mechanics' National Bank, New York City.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from May No., page 876.)

<i>State.</i>	<i>Place and Capital</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
N. Y....	N. Y. City.....	National Union Bank. ....	.....
	\$1,200,000	Joseph C. Hendrix, <i>P.</i>	E. O. Leech, <i>Cas.</i> , G. G. Haven, <i>V. P.</i>
"	.. N. Y. City.....	Yorkville Bank.....	.....
	\$100,000	R. Van Der Emde, <i>P.</i>	Wm. L. Frankenbach, <i>Cas.</i> Emil Unger, 1st <i>V. P.</i>
ALA....	Pratt City.....	Pratt City Bank.....	Bernard Amend, 2d <i>V. P.</i>
	\$25,000	J. M. Donaldson, <i>P.</i>	Tom Stobert, <i>Cas.</i>
ARK....	Stuttgart.....	State Bank.....	.....
		L. E. Hinton, <i>P.</i>	Chas. K. Leslie, <i>Cas.</i>
ARIZ ...	Phoenix.....	Home Savings Bank.....	First National Bank.
	\$20,000	J. H. Braly, <i>P.</i>	W. K. James, <i>Cas.</i> Henry E. Kamp, <i>V. P.</i>
CAL....	Pleasanton.....	Bank of Pleasanton.....	J. & W. Seligman & Co.
	\$50,000	P. N. Lienthal, <i>P.</i>	E. L. Benedict, <i>Cas.</i> A. G. Platt, <i>V. P.</i>
"	.. San Francisco..	Union Trust Co.....	.....
	\$575,000	Isaiah W. Hellman, <i>P.</i>	Smith P. Young, <i>Cas.</i> Chr. De Guigne, <i>V. P.</i>
"	.. San Francisco..	Columbian Banking Co....	.....
	\$16,000	I. J. Truman, <i>P.</i>	Chas. O. Perry, <i>Mgr.</i> W. S. Miller, <i>V. P.</i>
"	.. Santa Monica..	Bank of Santa Monica....	Western National Bank.
	\$50,000	Robert F. Jones, <i>P.</i>	E. J. Vawter, Jr., <i>Sec.</i> Henry W. Keller, <i>V. P.</i>
DAK. S.	Castlewood....	Castlewood State Bank....	.....
	\$7,500	H. P. Horswill, <i>P.</i>	Eldon Mellor, <i>Cas.</i> Nelson Leonard, <i>V. P.</i>
"	.. Mellette.....	State Bank.....	United States Nat. Bank.
	\$5,000	W. W. Taylor, <i>P.</i>	E. C. Issenhuth, <i>Cas.</i>
"	.. Onida.....	Sully County Sav. Bank..	.....
		D. Q. Jordan, <i>Cas.</i>	Chase National Bank.
GA....	Gainesville.....	J. H. Hunt.....	.....
	\$12,000	.....	Chase National Bank.
ILL....	Carbondale....	First National Bank.....	.....
	\$25,000	F. A. Prickett, <i>P.</i>	E. E. Mitchell, <i>Cas.</i> Wm. A. Schwartz, <i>V. P.</i>
"	.. Chicago.....	W. G. Stoughton & Co....	Western National Bank.
		.....	John E. Blunt, Jr., <i>Cas.</i>
"	.. Chicago.....	Market National Bank....	.....
	\$1,000,000	Anthony F. Seeberger, <i>P.</i>	Wm. Cox, <i>Cas.</i> Arthur M. Barnhart, <i>V. P.</i>
"	.. Chicago H'ts...	Bank of Chicago Heights.	O. S. Hubbell, <i>Asst.</i>
	\$25,000	Wm. J. McEldowney, <i>P.</i>	David Wallace, <i>Cas.</i> Jas. H. McEldowney, <i>Asst.</i>
"	.. Colfax.....	State Bank.....	.....
	\$25,000	W. G. Anderson, <i>P.</i>	H. A. Newell, <i>Cas.</i> I. K. Bunn, <i>V. P.</i>
"	.. Fairfield.....	Bank of Fairfield.....	Imp. & Traders Nat. Bank.
	\$25,000	Thos. W. Scott, <i>P.</i>	Edwin E. Crebs, <i>Cas.</i> R. D. Adams, <i>V. P.</i>
"	.. Findlay.....	Collison, Atwood & Co. .	.....
		Isaac J. Atwood, <i>P.</i>	Albert T. Collison, <i>Cas.</i> Thos. F. Collison, <i>V. P.</i>
"	.. Murphysboro...	Murphysboro Sav. Bank...	.....
	\$25,000	Wm. K. Murphy, <i>P.</i>	Willard Wall, <i>Cas.</i> J. Van Cloostere, <i>V. P.</i>
"	.. Toluca.....	First National Bank.....	Chas. L. Ritter, <i>Asst.</i>
	\$100,000	Chas. J. Devlin, <i>P.</i>	D. M. Wood, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IND.....	Indianapolis....	Indiana Trust Co.....	.....
	\$810,000	J. P. Frenzel, <i>P.</i>	John A. Butler, <i>Sec.</i>
		Fred'k Fahndley, <i>V. P.</i>	Ed. G. Cornelius, 2d <i>V. P.</i>
" ..	Vincennes.....	Second National Bank....	.....
	\$100,000	Allen Tindolph, <i>P.</i>	George W. Donaldson, <i>Cas.</i>
IND. T..	Duncan.....	Duncan Bank.....	Hanover National Bank.
	\$16,000	Wade Atkins, <i>P.</i>	J. T. Jeanes, <i>Cas.</i>
IOWA..	Avoca.....	Commercial Bank.....	Fourth National Bank.
		(J. W. Davis).	F. W. Parker, <i>Cas.</i>
" ..	Blanchard.....	First National Bank.....	.....
	\$50,000	Chas. G. Anderson, <i>P.</i>	Frank Hooker, <i>Cas.</i>
" ..	Buffalo Center.	Buffalo Center Sav. Bank.	American Exchange Nat. Bank.
	\$12,000	John Law, <i>P.</i>	Ellsworth E. Secor, <i>Cas.</i>
		C. J. Thompson, <i>V. P.</i>	S. S. Secor, <i>Asst.</i>
" ..	Cleghorn.....	Cleghorn State Bank.....	.....
	\$25,000	Jas. F. Toy, <i>P.</i>	Geo. R. Long, <i>Cas.</i>
			W. E. Long, <i>Asst.</i>
" ..	Cresco.....	First National Bank.....	Hanover National Bank.
	\$50,000	S. A. Converse, <i>P.</i>	C. A. Crawford, <i>Cas.</i>
		O. G. Wanless, <i>V. P.</i>	.....
" ..	Des Moines....	Savings Bank of Iowa....	.....
	\$50,000	Francis A. Baylies, <i>P.</i>	Geo. W. Rhine, <i>Cas.</i>
		G. Van Gunkel, <i>V. P.</i>	.....
" ..	Fontanelle.....	Bank of Fontanelle.....	.....
	\$10,000		Sandy Shoemaker, <i>Cas.</i>
" ..	Hazleton.....	Hazleton State Bank.....	Hanover National Bank.
	\$25,000	Timothy E. McCurdy, <i>P.</i>	Willis G. Kiefer, <i>Cas.</i>
" ..	Ida Grove.....	Ida Co. Savings Bank....	Kountze Bros.
	\$75,000	J. T. Hallam, <i>P.</i>	Chas. J. Seidensticker, <i>Cas.</i>
		A. T. Blackman, <i>V. P.</i>	.....
" ..	Indianola.....	Indianola Banking Co....	Chase National Bank.
	\$25,000	Philip Simond, <i>P.</i>	W. G. Stanley, <i>Cas.</i>
		John F. Schee, <i>V. P.</i>	F. H. Cheshire, <i>Asst.</i>
" ..	Jefferson.....	Jefferson Savings Bank..	.....
	\$25,000	F. M. Franklin, <i>P.</i>	J. W. Huntington, <i>Cas.</i>
		E. H. Carter, <i>V. P.</i>	E. P. French, <i>V. P.</i>
" ..	Keosauqua.....	Keosauqua State Bank....	Central National Bank.
	\$30,000	H. H. Trimble, <i>P.</i>	Jno. L. Therme, <i>Cas.</i>
		John H. Morton, <i>V. P.</i>	.....
" ..	Osage.....	Farmers National Bank...	.....
	\$50,000	John H. Johnson, <i>P.</i>	Frank W. Annis, <i>Cas.</i>
" ..	Redding.....	Redding Bank.....	.....
		Robert Winning, <i>P.</i>	Frank Stoddard, <i>Cas.</i>
		D. F. Nicholson, <i>V. P.</i>	.....
" ..	Waukon.....	First National Bank.....	.....
	\$50,000	B. F. Boomer, <i>P.</i>	Allen B. Boomer, <i>Cas.</i>
KAN....	Attica.....	Attica Exchange Bank....	.....
	\$5,000	M. A. Shoemaker, <i>P.</i>	A. J. Sample, <i>Cas.</i>
		H. Hatfield, <i>V. P.</i>	.....
" ..	Durham.....	Durham State Bank.....	United States National Bank.
	\$5,000	J. W. Moore, <i>P.</i>	Herbert M. Thorp, <i>Cas.</i>
		Chr. Haas, <i>V. P.</i>	.....
" ..	Hoxie.....	Commercial Bank.....	United States National Bank.
	\$5,000	E. M. Woodworth, <i>P.</i>	John M. Woodworth, <i>Cas.</i>
			S. C. Davis, <i>Asst.</i>
" ..	Melvorn.....	Melvorn State Bank.....	Hanover National Bank.
	\$10,000	Lemuel F. Warner, <i>P.</i>	Sherman B. Enderton, <i>Cas.</i>
			Geo. W. Morris, <i>Asst.</i>
" ..	Waverly.....	Bank of Waverly.....	Imp. & Traders National Bank.
	\$12,000	Madison Staley, <i>P.</i>	E. T. Duvall, <i>Cas.</i>
		Wm. Wallace, <i>V. P.</i>	Chas. N. Converse, <i>Asst.</i>
" ..	Wilsey.....	Wilsey State Bank.....	.....
	\$5,000	Andrew Yakie, <i>P.</i>	T. C. Snodgrass, <i>Cas.</i>
		Geo. B. Hillyer, <i>V. P.</i>	.....
KY.....	Owingsville....	Owingsville Banking Co..	.....
	\$50,000	J. M. Richart, <i>P.</i>	T. H. Brown, <i>Cas.</i>
		C. W. Honaker, <i>V. P.</i>	.....

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
LA.....	New Orleans... \$75,000	Provident Sav. Tr. & Safe Dep. B'k. J. C. Morris, <i>P.</i>	George W. Young, <i>Cas.</i>
"	..New Orleans... \$100,000	R. M. Walmsley, 1st <i>V. P.</i> United States Tr. & Sav. B'k. Augustin B. Wheeler, <i>P.</i> Albert Baldwin, 1st <i>V. P.</i>	Carl Kohn, 2d <i>V. P.</i> John R. Juden, <i>Cas.</i> P. Wight, 2d <i>V. P.</i>
MASS...	Pittsfield.....	City Savings Bank..... Francis W. Rockwell, <i>P.</i>	Hiram B. Wellington, <i>Tr.</i>
"	..Springfield..... \$300,000	Arthur W. Eaton, <i>V. P.</i> Springfield Nat. Bank. Henry H. Howman, <i>P.</i>	Arthur W. Plumb, <i>V. P.</i> Chase National Bank. Ralph P. Alden, <i>Cas.</i>
MICH...	Blissfield..... \$15,000	Blissfield State Bank..... Arthur D. Gilmore, <i>P.</i>	Chase National Bank. John R. Phillips, <i>Cas.</i>
"	..Detroit..... \$150,000	Chas. B. Phillips, Jr., <i>V. P.</i> McLellan & Anderson Sav. B'k. Andrew McLellan, <i>P.</i>	Clark R. Carpenter, <i>Asst.</i> Mechanics Nat. Bank. Geo. Anderson, <i>Cas.</i>
"	..Ewart..... \$15,000	Henry Cowie, <i>V. P.</i> First State Savings Bank. V. R. Davy, <i>P.</i>	Chase National Bank. Wm. Rogers, <i>Cas.</i>
"	..Freeport.....	V. E. Lucy, <i>V. P.</i> B. E. Quick & Co.....	.....
"	..Gobleville..... \$10,000	Gobleville Exch. Bank.... (John W. Free & Co.)	Chase National Bank.
"	..Kingston..... \$5,000	Kingston Bank..... Curtis W. McPhail, <i>P.</i>	United States National Bank. Levi A. Maynard, <i>Cas.</i>
"	..Rochester..... \$10,000	French, Hale & Co.....	Chase National Bank.
MINN...	Austin..... \$50,000	Citizens National Bank... Chas. L. West, <i>P.</i>	John W. Scott, <i>Cas.</i>
"	..Grand Rapids ..	M. J. Slaven, <i>V. P.</i> Iron Exchange Bank..... Charles S. Gilbert, <i>P.</i>	Mercantile Nat. Bank. William C. Gilbert, <i>Cas.</i>
"	..Hardwick..... \$10,000	Hardwick Bank..... Elmer E. Taylor, <i>P.</i>	George O. Ross, <i>Cas.</i>
"	..Minneapolis.... \$50,000	Z. A. Kynett, <i>V. P.</i> Germania Bank..... Otto E. Naegele, <i>P.</i>	Bank of America. John C. Oswald, 2d <i>V. P.</i>
MISS...	Biloxi..... \$10,000	Loren Fletcher, 1st <i>V. P.</i> Bank of Biloxi..... Carl F. Theobald, <i>P.</i>	E. W. Naegele, <i>Asst.</i> United States National Bank. Edward J. Buck, <i>Cas.</i>
"	..Wesson..... \$50,000	L. Lopez, <i>V. P.</i> Branch Commercial B'k, Brookhaven John McGrath, <i>P.</i>	..... J. G. Lyell, <i>Mgr.</i>
MO.....	Atlanta..... \$10,000	Atlanta State Bank..... Frank P. Hays, <i>P.</i>	Wm. J. Dearing, <i>Cas.</i> V. D. Gordon, <i>Asst.</i>
"	..Weston..... \$5,000	Bank of Weston..... Kemp M. Woods, Jr., <i>P.</i>	Hanover National Bank. John T. Collins, <i>Cas.</i>
MONT ..	Libby..... \$50,000	Miners Bank..... Jos. A. Coram, <i>P.</i>	Frederic W. Merigold, <i>Cas.</i>
NEB....	Bassett..... \$5,000	Benton D. Hatcher, <i>V. P.</i> Farmers & Merchants B'k. William Adams, <i>P.</i>	..... Alfred E. Bowring, <i>Cas.</i>
"	..Eddyville..... \$12,000	Eddyville Bank..... John S. Stuckey, <i>P.</i>	Kountze Bros. Madison W. Stuckey, <i>Cas.</i>
N. J....	Paterson..... \$50,000	Benton Maret, <i>V. P.</i> Silk City Safe Dep. & Trust Co. Peter Ryle, <i>P.</i>	National Bank Republic. A. B. Huyssoon, <i>Tr.</i>
N. Y...	Brooklyn..... \$100,000	Henry Doherty, <i>V. P.</i> Eighth Ward Bank..... John C. Kelley, <i>P.</i>	Third National Bank. Wm. J. Brown, <i>Cas.</i>
"	..Brooklyn..... \$100,000	J. Lott Nostrand, <i>V. P.</i> People's Bank..... James Gascoine, <i>P.</i>	..... Henry B. Coombe, <i>Cas.</i>
"	..Niagara Falls.. \$50,000	Frank Hyde, 1st <i>V. P.</i> Power City Bank..... Arthur Schoellkopf, <i>P.</i>	Imp. & Traders National Bank. Fred I. Pierce, <i>Cas.</i>
		Hans Neilson, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
N. Y...	Northport.....	Bank of Northport.....	Hanover National Bank.
	\$25,000	Henry S. Mott, <i>P.</i>	G. Edwin Bartow, <i>Cas.</i>
	• ..White Plains...	James Cockcroft, <i>V. P.</i>	
		Home Savings Bank.....	Chase National Bank.
		David Cromwell, <i>P.</i>	Henry S. Hamilton, <i>Sec.</i>
		Wm. B. Tibbits, <i>V. P.</i>	
	• ..White Plains...	White Plains Bank.....	Chase National Bank.
	\$50,000	David Cromwell, <i>P.</i>	Chas. Prophet, <i>Cas.</i>
		Irving W. Young, <i>V. P.</i>	
N. C....	Fayetteville....	Co-Operative Bank.....	United States National Bank.
	\$50,000	John P. Coffin, <i>P.</i>	Henry O. Snow, <i>Cas.</i>
		G. W. Sanderlin, <i>V. P.</i>	
OHIO...	Cincinnati.....	City Hall Bank.....	
	\$100,000	Wm. F. Doecke, <i>P.</i>	Claude Ashbrook, <i>Cas.</i>
		J. W. Baldrige, <i>V. P.</i>	
	• ..Edon.....	Bank of Edon.....	Fourth National Bank.
		Oscar Eaton, <i>P.</i>	Theodore S. Carvin, <i>Cas.</i>
		I. E. Gardner, <i>V. P.</i>	James Garside, <i>Asst.</i>
	• ..Girard.....	First National Bank.....	
	\$50,000	A. W. Kennedy, <i>P.</i>	A. B. Camp, <i>Cas.</i>
	• ..Shelby.....	Citizens Bank.....	United States National Bank.
	\$60,000	Wood W. Skiles, <i>P.</i>	David V. Wherry, <i>Cas.</i>
		Hiram W. Hilderbrant, <i>V. P.</i>	
	• ..Worthington...	Worthington Sav. Bank...	Hanover National Bank.
	\$10,000	Lyman Gardner, <i>P.</i>	Thomas Fitzgerald, <i>Cas.</i>
ORE...	St. Helen.....	Columbia Banking Co....	
	\$20,000	G. A. Massie, <i>P.</i>	C. H. Newell, <i>Cas.</i>
		W. J. Deitz, <i>V. P.</i>	
PA.....	Athens.....	Farmers National Bank...	National Bank Republic.
	\$50,000	Job Griffin, <i>P.</i>	Oran L. Haverly, <i>Cas.</i>
		Geo. T. Ercanbrack, <i>V. P.</i>	
	• ..Beaver Falls...	John T. Reeves & Co....	Western National Bank.
	\$50,000	John Reeves, <i>P.</i>	John T. Reeves, <i>Cas.</i>
		James F. Merriman, <i>V. P.</i>	
	• ..Forest City....	H. C. Ames & Co.....	
			Elsworth F. Ames, <i>Cas.</i>
	• ..Mercer.....	Mercer County Nat. B'k..	National Bank Republic.
	\$50,000	Henry Robinson, <i>P.</i>	W. J. Robinson, <i>Cas.</i>
		W. A. Montgomery, <i>V. P.</i>	
	• ..Newport.....	First National Bank.....	Chase National Bank.
	\$50,000	Jas. B. Eby, <i>P.</i>	P. K. Brandt, <i>Cas.</i>
		W. C. Pomeroy, <i>V. P.</i>	T. J. Clark, <i>Asst.</i>
	• ..Pittsburgh....	Columbia National Bank..	
	\$300,000	E. H. Jennings, <i>P.</i>	F. A. Griffen, <i>Cas.</i>
	• ..Verona.....	First National Bank.....	
	\$50,000	R. D. Elwood, <i>P.</i>	Geo. S. Macrum, <i>Cas.</i>
S. C....	Charleston....	German-Amer. Tr. & Sav. B'k.	United States Nat. B'k.
	\$40,000	I. Fred. Lillenthal, <i>P.</i>	A. Bequest, <i>Cas.</i>
		I. N. Hesse, <i>V. P.</i>	
TENN...	Knoxville.....	Market Bank.....	Hanover National Bank.
	\$25,000	Geo. W. Albers, <i>P.</i>	Wm. J. Carty, <i>Cas.</i>
		Thornton B. Cox, <i>V. P.</i>	
TEXAS..	Atlanta.....	First National Bank.....	
	\$50,000	Hardy A. O'Neal, <i>P.</i>	J. W. Campbell, <i>Cas.</i>
VT.....	Barre.....	Barre Sav. B'k & Tr. Co..	
	\$50,000	James M. Perry, <i>P.</i>	Frank G. Howland, <i>Tr.</i>
		David M. Miles, <i>V. P.</i>	
	• ..Ludlow.....	Ludlow Sav. B'k & Tr. Co.	
	\$25,000	William W. Stickney, <i>P.</i>	R. W. Davies, <i>Tr.</i>
		Fred. O. Knight, <i>V. P.</i>	
	• ..Wells River....	Wells River Sav. Bank...	
		E. Baldwin, <i>P.</i>	Nelson Bailey, <i>Tr.</i>
VA.	Martinsville....	Farmers Bank.....	Kountze Bros.
	\$10,000	Henry C. Lester, <i>P.</i>	Robert L. Woolfolk, <i>Cas.</i>
WASH..	Kelso.....	Kelso State Bank.....	Chase National Bank.
	\$15,000	Frank Hense, <i>P.</i>	J. M. Turner, <i>Cas.</i>
		Jesse F. Van Name, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
WASH.	Kent.....	Bank of Kent.....	National Park Bank.
	\$25,000	E. S. Osborne, <i>P.</i>	E. F. Allen, <i>Cas.</i>
		Edw. P. Tremper, <i>V. P.</i>	D. F. Le Fevre, <i>Asst.</i>
	Shelton.....	State Bank of Shelton.....	National Park Bank.
	\$15,000	Thomas O'Neill, <i>P.</i>	John D. Riley, <i>Cas.</i>
		L. McPhail, <i>V. P.</i>	J. F. Riley, <i>Asst.</i>
WIS....	Princeton.....	Princeton State Bank.....	.....
	\$30,000	F. T. Yahr, <i>P.</i>	Joseph E. Leimer, <i>Cas.</i>
		L. D. Moses, <i>V. P.</i>	.....
ONT....	Lakefield.....	James Linton & Co.....	.....
	\$20,000	James Linton, <i>P.</i>	T. H. Benson, <i>Cas.</i>
MAN'BA.	Winnipeg.....	Canadian B'k of Commerce	Canadian B'k of Commerce.
			T. H. Mathewson, <i>Mgr.</i>
QUEBEC.	St. Hyacinthe..	La Banque du Peuple.....	.....
			J. Laframboise, <i>Mgr.</i>

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from May No., page 873.)

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY.	National Broadway Bank	Chas. J. Day, <i>Asst.</i>	.....
	Sherman Bank	Charles E. Bulkley, <i>P.</i>	D. R. Satterlee.
		John McLoughlin, <i>V. P.</i>	.....
ARK....	Bank of Conway.....	Jo. Frauenthal, <i>P.</i>	W. W. Martin.
	Craighead Co. Bk., Jonesboro.	Z. T. Matthews, <i>P.</i>	Henry T. Smith.
	Bank of Siloam,	Harvey Tannehill, <i>P.</i>	.....
	Siloam Springs.	James H. Carl, <i>V. P.</i>	.....
CAL....	National Bank of Pomona.....	T. W. Johnston, <i>Asst.</i>	.....
	Nat. B'k of D. O. Mills & Co.,	Chas. F. Dillman, <i>Cas.</i>	S. P. Smith.
	Sacramento.	S. Prentiss Smith, <i>Asst.</i>	.....
	Bank of California, San Fran.	J. A. Donohoe, Jr., <i>Cas.</i>	J. W. Flood.
	Donohoe Kelly Banking Co.,	F. M. West, <i>P.</i>	L. U. Shippee.
	San Francisco.	W. W. Westbay, <i>Cas.</i>	F. M. West.
	Stockton Savings & Loan Soc.	W. B. Colvin, <i>Cas.</i>	Robt. H. Northcott.
COL....	Bank of Akron.....	A. H. Major, <i>V. P.</i>	J. F. Benedict.
	First National Bank,	J. Edgar Black, <i>Cas.</i>	J. B. Merritt.
	Creede.	Nelson Millett, <i>P.</i>	Wm. F. R. Mills.
	Denver T. & S. D. Co., Denver.	W. H. Whitehead, <i>P.</i>	S. T. Hooper.
	Jefferson Co. Bank, Golden.	W. O. Statton, <i>Cas.</i>	Edw. M. Ferdeu.
	State Bank, Monte Vista.	C. Wilson, <i>Cas.</i>	Theo. A. Sloane.
	Pueblo Savings Bank, Pueblo.	Wm. W. Bird, <i>Cas.</i>	T. A. Davis.
	First National Bank,	J. E. Brown, <i>Asst.</i>	Wm. W. Bird.
	Telluride.	Edwin G. Stanford, <i>P.</i>	D. N. Morgan.
CONN....	City Nat. Bank, Bridgeport.	Seth H. Butler, <i>P.</i>	John N. Camp.*
	First Nat. Bank, Middletown.	Geo. M. Rumney, <i>Asst.</i>	.....
	Naugatuck Nat. B., Naugatuck.	Wilbur P. Bryan, <i>Asst.</i>	.....
	Fourth Nat. Bank, Waterbury.	P. C. Donovan, <i>V. P.</i>	.....
DAK. N.	First National Bank,	James Fraser, <i>Asst.</i>	.....
	Langdon.	O. I. Hegge, <i>Asst.</i>	.....
	Citizens Nat. B'k, Wahpeton.	Wm. P. Phillips, <i>V. P.</i>	V. E. Prentice.
DAK. S.	First Nat. Bank, Hot Springs.	C. F. Englesby, <i>P.</i>	Geo. A. Eastman.
	Minnekahta State Bank,	F. E. Moses, <i>Cas.</i>	J. E. Gilbert.*
	Hot Springs.	Bert L. Stiff, <i>Cas.</i>	J. J. Devereux.
	First National Bank, Mitchell.	John C. Eckloff, <i>Cas.</i>	Henry C. Swain.*
D. C....	Second Nat. B'k, Washington.	Mon Scott, <i>Asst.</i>	.....
FLA....	Polk Co. Nat. Bank, Bartow.	T. E. Welles, <i>V. P.</i>	.....
	Citizens National Bank,	John E. Maxwell, <i>Cas.</i>	.....
	Pensacola.	.....	.....

* Deceased

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
GA.....	Peoples Nat. Bank, Americus.....	J. C. Roney, <i>P.</i>	S. Montgomery.
"	..Bank of Cordele, Cordele.....	J. W. Sheffield, <i>P.</i>	W. S. Thomson.
"	..Bank of Cuthbert.....	Geo. McDonald, <i>P.</i>	J. M. Rawls.
"	..Elberton Loan & Savings B'k, Elberton.....	I. G. Swift, <i>Cas.</i>	W. B. Sadler.
"	..First Nat. Bank, Valdosta.....	James Y. Blitch, <i>Asst.</i>.....	.....
ILL.....	First National Bank, Anna.....	Ricklef Johnson, <i>V. P.</i>	Oliver Alden.*
"	..German-American Nat. B'k, Aurora.....	John Plain, <i>P.</i>	H. H. Evans.
"	..First National Bank, Batavia.....	H. H. Evans, <i>V. P.</i>	John Plain.
"	..First National Bank, Chicago.....	J. L. Dickes, <i>Asst.</i>.....	.....
"	..Bankers National Bank, Chicago.....	H. N. Wade, <i>V. P.</i>	N. S. Young.
"	..Citizens National Bank, Decatur.....	J. H. Young, <i>Asst.</i>.....	.....
"	..Dairymens State Bank, Marengo.....	J. C. Craft, <i>Cas.</i>.....	.....
"	..Dulaney Nat. Bank, Marshall.....	Frank P. Judson, <i>2d Asst.</i>.....	.....
"	..Peoples Nat. Bank, Monmouth.....	Milton Johnson, <i>P.</i>	L. B. Casner.
IND.....	..Citizens Bank, Clinton.....	Levi Towl, <i>V. P.</i>	Milton Johnson.
"	..German Bank, Evansville.....	Ira R. Curtiss, <i>P.</i>	Z. E. Goodrich.
"	..Merchants Nat. B'k, La Fayette.....	A. S. Norton, <i>Cas.</i>	L. Barber.
"	..Delaware Co. Nat. B'k, Muncie.....	T. J. Golden, <i>V. P.</i>.....	.....
"	..Merchants Nat. Bank, Muncie.....	Wm. B. Smith, <i>V. P.</i>	Wm. F. Smith.
"	..New Palestine Bank, New Palestine.....	Decatur Downing, <i>P.</i>	Jas. M. Starbuck.
"	..Bank of Orleans, Orleans.....	Joseph Brentano, <i>Cas.</i>	Henry L. Cook.
"	..North Salem Bank, North Salem.....	J. Wagner, Jr., <i>Asst.</i>.....	.....
"	..Seymour Nat. B'k, Seymour.....	J. R. Sprankle, <i>V. P.</i>.....	.....
"	..Farmers Nat. B'k, Shelbyville.....	Fred Klopfer, <i>V. P.</i>	Samuel Martin.
"	..First Nat. Bank, Shelbyville.....	Henry Fralich, <i>P.</i>	Geo. B. Cooper.
"	..First National Bank, Vernon.....	Geo. B. Cooper, <i>V. P.</i>.....	.....
"	..Central Nat. B'k, W. Lebanon.....	Edward P. Walker, <i>P.</i>.....	.....
IND. T.	Chickasaw Nat. Bank, Purcell.....	J. A. Burton, <i>V. P.</i>.....	.....
IOWA.....	..Citizens Nat. B'k, Charles City.....	Chas. H. Davis, <i>P.</i>.....	.....
"	..Merchants Nat. B., Eagle Grove.....	G. B. Davis, <i>V. P.</i>.....	.....
"	..First Nat. Bank, Garner.....	S. R. Stewart, <i>Cas.</i>	M. H. Pritchard.
"	..Citizens Nat. Bank, Knoxville.....	Joseph Kling, <i>V. P.</i>	F. M. Swope.*
"	..Farmers Nat. Bank, Malvern.....	W. E. Teal, <i>V. P.</i>.....	.....
"	..Farmers & Merch. State B'k, Neola.....	John Blessing, <i>V. P.</i>.....	.....
"	..Iowa Nat. Bank, Ottumwa.....	J. W. Hill, <i>P.</i>	Jacob Foebel, Jr.
"	..Iowa Bank, Rock Rapids.....	S. W. Storey, <i>V. P.</i>	J. W. Hill.
"	..First National Bank, Sac City.....	C. G. Jones, <i>P.</i>.....	.....
"	..First National Bank, Sanborn.....	J. W. Downard, <i>V. P.</i>.....	.....
"	..National Bank of Sioux City, Sioux City.....	Avery Brush, <i>V. P.</i>.....	.....
"	..Northwestern N. B., Sioux City.....	J. J. Garland, <i>V. P.</i>.....	.....
"	..Watkins Savings B'k, Watkins.....	H. A. Sweigard, <i>Asst.</i>.....	.....
"	..First Nat. Bank, Woodbine.....	L. V. Myars, <i>Asst.</i>.....	.....
KAN.....	..Bank of Alma.....	A. H. Dolph, <i>V. P.</i>.....	.....
"	..Farmers National Bank, Arkansas City.....	T. G. Turner, <i>V. P.</i>.....	.....
"	..Bank of Barnard.....	Peter Egan, Jr., <i>Cas.</i>	T. G. Turner.
"	..Citizens State B'k, Centralia.....	R. D. M. Turner, <i>Asst.</i>.....	.....
"	..First Nat. Bank, Chanute.....	C. K. Blake, <i>Cas.</i>	T. H. Eaton.
"	..First Nat. Bank, Coffeyville.....	O. E. Shaffer, <i>Cas.</i>	F. E. Gibson.
"	..Citizens Bank, Ellinwood.....	Ed. Nutter, <i>Asst.</i>	D. Goldsmith.
"	..Hoisington State Bank, Hoisington.....	E. M. Brady, <i>V. P.</i>.....	.....
"	..First Nat. Bank, Woodbine.....	M. C. Davis, <i>V. P.</i>	T. C. Pease.
"	..Citizens Bank, Ellinwood.....	F. C. Swan, <i>Asst.</i>	T. C. Beard.
"	..Hoisington State Bank, Hoisington.....	John Scott, Jr., <i>Asst.</i>.....	.....
"	..First Nat. Bank, Chanute.....	J. T. McGuire, <i>Cas.</i>	Chas. R. Dillin.*
"	..First Nat. Bank, Coffeyville.....	Geo. A. Mathews, <i>V. P.</i>	C. D. Stevens.
"	..Citizens Bank, Ellinwood.....	B. R. Fisher, <i>Cas.</i>	F. H. Mellor.
"	..Hoisington State Bank, Hoisington.....	Jamison Vawter, <i>V. P.</i>.....	.....
"	..First Nat. Bank, Chanute.....	John J. Blanshard, <i>Asst.</i>.....	.....
"	..First Nat. Bank, Coffeyville.....	M. S. Atwood, <i>P.</i>	N. B. Brown.
"	..Citizens Bank, Ellinwood.....	J. H. Morison, <i>Cas.</i>	O. S. Cummings.
"	..Hoisington State Bank, Hoisington.....	C. P. Dildine, <i>V. P.</i>	F. W. Jefferies.
"	..First Nat. Bank, Coffeyville.....	J. T. Wettack, <i>Cas.</i>	Thos. G. Ayres.
"	..Citizens Bank, Ellinwood.....	E. L. Smith, <i>Cas.</i>	C. M. Hanna.
"	..Hoisington State Bank, Hoisington.....	C. A. Wilms, <i>Asst.</i>	E. L. Smith.
"	..First Nat. Bank, Chanute.....	W. W. Truxall, <i>P.</i>	Alex. Dennis.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
KAN....	Citizens National Bank, Independence.	{ A. C. Stich, <i>P.</i>	Henry Foster.
		{ A. W. Shulthis, <i>Cas.</i>	A. C. Stich.
	Inter-State National Bank, Kansas City.	{ J. W. Simpson, <i>Asst.</i>	
		{ J. V. Andrews, <i>V. P.</i>	
	Bank of Kincaid.....	Eugene Wallace, <i>P.</i>	
	State Bank, Longton.....	O. H. Worley, <i>Cas.</i>	I. B. Alter.
	Bank of Lucas.....	John Hall, <i>P.</i>	G. H. Skinner.
	First Nat. Bank, Manhattan.....	R. J. Harper, <i>V. P.</i>	Geo. S. Green.
	Bank of Miltonvale.....	J. B. Morris, <i>Cas.</i>	A. B. Crandell.
	Ottawa Co. B'k, Minneapolis.....	F. M. Sexton, <i>P.</i>	J. W. Walker.
	Moline State Bank, Moline.....	J. H. Turner, <i>Cas.</i>	Geo. E. Martin.*
	Patrons Co-operative Bank, Olathe.	{ Wm. Henry, <i>P.</i>	N. Zimmerman.
	Bank of Parker.....	O. Peterson, <i>Cas.</i>	W. W. Smith.
	City Bank, Parsons.....	T. H. Cunningham, <i>Cas.</i>	L. E. Weekes.
	Pomona Bank, Pomona.....	A. Hensley, <i>P.</i>	J. L. Hatfield.
	Kansas National Bank, Topeka.	A. Washburn, <i>Cas.</i>	L. L. Turner.
		D. W. Nellis, <i>Asst.</i>	Wm. Wadsworth.
	Doniphan Co. State Bank, Troy.	{ A. C. Deaver, <i>V. P.</i>	
		{ C. C. Camp, <i>Cas.</i>	Orson Gage.
	Bank of Westphalia.....	G. G. Burnham, <i>Cas.</i>	Wm. L. Cayot.
KY....	Bank of Adairville.....	G. D. Cregor, <i>Cas.</i>	E. R. Moore.
	Erlanger Dep. Bank, Erlanger.	S. L. Webb, <i>Cas.</i>	J. C. Henry.
	Deposit Bank, Frankfort.	{ B. C. Milam, <i>P.</i>	
		{ J. Buford Hendrick, <i>V. P.</i>	B. C. Milam.
	Frankfort Nat. B'k, Frankfort.	Jacob Swigert, <i>Cas.</i>	John W. Pruett.
	Central Bank, Lexington.....	Louis Straus, <i>P.</i>	Watts Parker.
	Hopkins Co. B'k, Madisonville.	W. H. Jernigan, <i>P.</i>	C. J. Pratt.
	Citizens Bank, Port Royal.....	M. B. Perry, <i>P.</i>	W. L. Nuttall.
	First Nat. Bank, Somerset.....	J. M. Richardson, <i>P.</i>	S. A. Newell.
	Deposit Bank, Vanceburg.....	T. S. Clark, <i>Cas.</i>	S. Rugless.
LA....	Peoples Nat. B'k, New Iberia.	Maurice Galliard, <i>V. P.</i>	Fred Gates.
	Hibernia Nat. B., New Orleans.	John W. Castles, <i>P.</i>	G. R. Preston.
ME....	Lincoln Nat. Bank, Bath.....	F. H. Low, <i>Cas.</i>	Wm. R. Shaw.
	First Nat. Bank, Farmington.....	J. H. Thompson, <i>Cas.</i>	A. F. Belcher.
	Nat. Traders Bank, Portland.....	John M. Gould, <i>Cas.</i>	Edward Gould.
	Harford Nat Bank, Bel Air.....	S. A. Williams, <i>P.</i>	Edwin H. Webster.*
MASS....	First Nat. B'k, Ashburnham.....	M. M. Stowe, <i>Cas.</i>	W. B. Whitney.
	Lincoln Nat. Bank, Boston.....	E. K. Butler, <i>V. P.</i>	
	Hingham Inst. for Savings, Hingham.	{ Enos Loring, <i>P.</i>	Joseph Sprague.*
	City Nat. Bank, Holyoke.....	A. F. Hitchcock, <i>Asst.</i>	
	Pacific National Bank, Nantucket.	{ Henry Paddock, <i>P.</i>	E. W. Perry.*
		{ Edmund B. Fox, <i>V. P.</i>	Henry Paddock.
MICH....	First National Bank, Reading.	Alden Batchelder, <i>V. P.</i>	B. T. Morrison.
	First Nat. Bank, Centreville.....	Wm. W. Jones, <i>P.</i>	L. A. Clapp.
	First State Bank, Holland.	{ G. W. Mokma, <i>Cas.</i>	I. Marsilje.
		{ I. Marsilje, <i>Asst.</i>	
	Hackley Nat. Bank, Muskegon.....	Thos. Munroe, <i>2d V. P.</i>	
	National Lumbermans Bank, Muskegon.	{ Thomas Hume, <i>V. P.</i>	
		{ H. N. Hovey, <i>2d V. P.</i>	
	First Nat. Exchange Bank, Plymouth.	{ R. C. Safford, <i>P.</i>	G. A. Starkweather.
		{ E. W. Chaffee, <i>V. P.</i>	R. C. Safford.
	Exchange Bk., Port Sanilac.....	John Mugan, <i>Cas.</i>	Jas. P. Mugan.
MINN....	Union Banking Co., St. Joseph.	A. W. Wells, <i>P.</i>	Francis Jordan.
	Anoka National Bank, Anoka.	{ C. S. Guderian, <i>P.</i>	W. D. Washburn.
		{ A. D. Howard, <i>V. P.</i>	C. S. Guderian.
	Marine National Bank, Duluth.	{ N. J. Miller, <i>V. P.</i>	J. P. Johnston.
		{ J. P. Johnston, <i>Cas.</i>	Geo. L. Crane.
	Sibley Co. Bank, Henderson.....	S. S. Welch, <i>P.</i>	Thos. Welch.
	Columbia Nat. B., Minneapolis.....	W. M. Becker, <i>Asst.</i>	
	Moorhead Nat. Bank, Moorhead.	{ P. H. Lamb, <i>P.</i>	Andrew Holes.
		{ Johnston Wagner, <i>V. P.</i>	E. E. Hazen.
	Merchants Nat. B'k, St. Cloud.....	P. J. Gruler, <i>Asst.</i>	
	Second Nat. Bank, St. Paul.....	D. A. Monfort, <i>P.</i>	E. S. Edgerton.*
	First National Bank, Wells.....	A. O. Oleson, <i>Asst.</i>	C. L. Todd.
	German-American B., Winona.....	F. A. Lemme, <i>Cas.</i>	H. L. Smith.

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MO.....	Bank of Centre View.....	W. R. Delaney, <i>Cas.</i>	Albert W. Repp.
"	..First National Bank, Nevada.....	Wellington Barnes, <i>Cas.</i>	E. F. Carr.
"	..Bank of Smithville.....	Edwin Thatcher, <i>Cas.</i>	J. W. Spratt.
"	..Union Trust Co., St. Louis.....	C. S. Greeley, <i>P.</i>	W. E. Hughes.
"	..West Plains Bank, West Plains. {	M. B. Clarke, <i>Cas.</i>	H. T. Smith.
"		J. S. Holloway, <i>Asst.</i>	Lee M. Catron.
MONT.....	Conrad Nat. B'k, Kalispell.....	Geo. Phillips, <i>Asst.</i>	
NEB.....	First National Bank, Alliance.....	I. M. Dawson, <i>Asst.</i>	E. P. Brown.
"	..National Bank of Ashland.....	J. R. Hayward, <i>P.</i>	O. M. Carter.
"	..Farmers & Merchants Nat. B., Auburn. {	C. F. Ely, <i>Asst.</i>	
"	..Commercial Bank, Columbus.....	Clark Gray, <i>Cas.</i>	C. A. Newman.
"	..First Nat. Bank, Gothenburg.....	Geo. W. Thomas, <i>Asst.</i>	
"	..First National Bank, Hartington. {	H. H. Clark, <i>P.</i>	D. T. Gilman.
"		John Lammers, <i>V. P.</i>	
"		W. H. Martin, <i>Asst.</i>	
"	..United States N. B., Holdrege.....	W. H. Paddock, <i>P.</i>	E. A. Washburn.
"	..American Exch. N. B., Lincoln.....	D. E. Thompson, <i>V. P.</i>	Lewis Gregory.
"	..Nat. B'k of Commerce, Omaha.....	W. S. Rector, <i>Cas.</i>	E. L. Bierbower.
N. H.....	National Bank of Lakeport.....	J. S. Crane, <i>V. P.</i>	
N. J.....	Navesink Nat. B'k, Red Bank.....	H. C. Terhune, <i>Asst.</i>	
N. Mex.....	National Bank of Deming.....	Jas. A. Lockhart, Jr., <i>Asst.</i>	
"	..First National Bank, Eddy. {	W. A. Hawkins, <i>V. P.</i>	
"		C. E. Conway, <i>Asst.</i>	
"	..New Mexico National Bank, Socorro. {	M. W. Browne, <i>V. P.</i>	E. Montoyne.
"		E. E. Nold, <i>Cas.</i>	M. W. Browne.
N. Y.....	National Bank of Babylon.....	Richard Higbie, <i>V. P.</i>	
"	..Niagara Bank, Buffalo. {	John A. Kennedy, <i>Cas.</i>	H. S. Champlin.
"		Wm. J. Hayes, <i>Asst.</i>	
"	..Merch. & Farmers Nat. Bank, Dansville. {	Craig A. Ross, <i>Asst.</i>	
"	..Merch. Nat. Bank, Glens Falls.....	Frank Byrne, <i>V. P.</i>	
"	..First Nat. Bk., Niagara Falls.....	David Isaacs, <i>V. P.</i>	
"	..Bank of Richmondville.....	J. D. Holmes, <i>Cas.</i>	J. R. Becker.
"	..First Nat. Bank, Rondout.....	H. G. Young, <i>P.</i>	Edwin Young.*
"	..Saugerties Bank, Saugerties.....	Jas. O. Carnright, <i>Cas.</i>	Thos. B. Keeney.
N. C.....	First National Bank, Hickory.....	A. H. Crowell, <i>Asst.</i>	
"	..Farmers Bank, Roxboro.....	W. A. Jones, <i>Cas.</i>	
OHIO.....	First Nat. Bank, Arcanum.....	H. A. Kepner, <i>V. P.</i>	
"	..Third Nat. Bank, Cincinnati.....	C. H. Kellogg, <i>V. P.</i>	C. H. Kellogg, Jr.
"	..Euclid Avenue National Bank, Cleveland. {	C. F. Brush, <i>P.</i>	John L. Woods.*
"		S. L. Severance, <i>V. P.</i>	C. F. Brush.
"	..First National Bank, Leetonia. {	Wm. Floding, <i>V. P.</i>	
"		John Leavitt, <i>Cas.</i>	W. G. Hendricks.
"	..First National Bank, Niles.....	J. R. Thomas, <i>P.</i>	H. H. Mason.
"	..First Nat. Bank, Norwalk.....	E. G. Gardiner, <i>V. P.</i>	S. M. Fuller.
"	..First National Bank, Oxford. {	F. S. Heath, <i>P.</i>	S. C. Richey.
"		S. C. Richey, <i>V. P.</i>	F. S. Heath.
"	..Champaign Nat. B'k, Urbana.....	J. R. Ross, <i>Asst.</i>	C. A. Rose.
"	..Midland National Bank, Washington C. H. {	W. Q. Kinkead, <i>Cas.</i>	Chas. C. Pavey.
OKL. T.	Citizens State Bank, El Reno. {	H. T. Smith, <i>P.</i>	H. J. Whitley.
"		Otto A. Shuttee, <i>Cas.</i>	M. T. Clark.
"	..First Nat. Bank, El Reno.....	A. F. Masterman, <i>V. P.</i>	
"	..First National Bank, Oklahoma. {	T. M. Richardson, <i>P.</i>	G. T. Reynolds.
"		G. T. Reynolds, <i>V. P.</i>	T. M. Richardson.
ORE.....	First Nat. Bank, Athena.....	M. M. Johns, <i>Asst.</i>	O. R. Marston.
"	..Pendleton Sav. B'k, Pendleton.....	R. T. Cox, <i>Cas.</i>	J. H. Braly.
"	..Portland Clearing House, Portland. {	Geo. Good, <i>P.</i>	W. M. Ladd.
PA.....	National Bank of Brookville.....	Wm. Dickey, <i>P.</i>	Henry Truman.
"	..First Nat. Bank, Catawissa.....	A. L. Tustin, <i>Cas.</i>	G. M. Tustin.
"	..Miles National Bank, Delta. {	J. H. Miles, <i>P.</i>	S. B. Miles.
"		J. Arthur Jones, <i>Asst.</i>	
"	..First Nat. Bank, Ellwood City.....	H. S. Blatt, <i>V. P.</i>	J. Sharp Wilson.
"	..First Nat. Bank, Emlenton.....	O. M. Sloan, <i>Asst.</i>	

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
PA.....	First Nat. Bank, Girardville....	Albert Bordy, <i>V. P.</i>	Chas. D. Kaier.
"	..Citizens National Bank, Johnstown.	B. L. Yeagley, <i>P.</i>	A. J. Haws.
"	..Farmers & Merch. Nat. B'k, Mt. Pleasant.	John Thomas, <i>V. P.</i>	B. L. Yeagley.
"	..Central Nat. B'k, Philadelphia....	Jos. Neel, <i>V. P.</i>.....	.....
"	..Peoples Bank, Philadelphia....	Wm. Post, <i>2d Asst.</i>.....	.....
"	..Southwark National Bank, Philadelphia.	Jas. McManes, <i>Act'g P.</i>	Wm. H. Kern.*
"	..Metropolitan Nat. Bank, Pittsburgh.	Peter Lamb, <i>V. P.</i>.....	.....
"	..Warren National Bank, Warren.	John B. Harper, <i>Cas.</i>	Peter Lamb.
"	..Youngsville Savings Bank, Youngsville.	Geo. W. Irwin, <i>V. P.</i>	E. L. Clark.*
"	..Warren National Bank, Warren.	H. A. Jamieson, <i>V. P.</i>.....	.....
"	..Youngsville Savings Bank, Youngsville.	T. E. Hertz, <i>Cas.</i>.....	.....
"	..Youngsville Savings Bank, Youngsville.	C. S. Morris, <i>P.</i>	R. G. Mead.
"	..Youngsville Savings Bank, Youngsville.	W. P. Nutting, <i>Cas.</i>	J. A. Jackson.
TENN...	First National Bank, Dayton.	S. C. Norwood, <i>P.</i>	H. C. Rose.
"	..Central Savings B'k, Knoxville....	John Abel, <i>V. P.</i>	J. J. Abel.
"	..Citizens National Bank, Pulaski.	J. W. McCallum, <i>Cas.</i>	Jas. R. McCallum.
"	..Citizens National Bank, Pulaski.	J. B. Stacy, <i>P.</i>	John S. Wilkes.
"	..Citizens National Bank, Pulaski.	L. W. McCord, <i>V. P.</i>	J. B. Stacy.
TEXAS.	Amarillo Nat. Bank, Amarillo....	J. T. Holland, <i>V. P.</i>	E. S. Wiggins.
"	..Brownwood N. B., Brownwood....	J. W. Butler, <i>Asst.</i>.....	.....
"	..City National Bank, Brownwood.	John C. Bernay, <i>V. P.</i>	D. W. Wooten.
"	..Far. & Merch. N. B., Cleburne....	E. E. Rives, <i>Asst.</i>.....	.....
"	..First National Bank, Crockett.	C. L. Heath, <i>Asst.</i>	P. C. Chambers.
"	..First National Bank, Crockett.	J. C. Wootters, <i>P.</i>	Wm. E. Mayes.
"	..North Texas National Bank, Dallas.	John B. Smith, <i>V. P.</i>	J. C. Wootters.
"	..North Texas National Bank, Dallas.	P. T. Morey, <i>P.</i>	B. Blankenship.
"	..North Texas National Bank, Dallas.	W. White, <i>V. P.</i>	Henry Exall.
"	..North Texas National Bank, Dallas.	J. A. Pope, <i>Act. Cas.</i>	J. B. Oldham.
"	..Gainesville Nat. B'k, Gainesville....	H. R. Eldridge, <i>Cas.</i>	W. J. Scott.
"	..American Nat. B'k, Galveston....	J. E. Wallis, <i>V. P.</i>	F. Lammers.
"	..First National Bank, Grand View.	Thos. F. Mastin, <i>P.</i>	W. G. Davis.
"	..Haskell National Bank, Haskell.	R. N. Holl, <i>V. P.</i>	F. M. Weatherred.
"	..Haskell National Bank, Haskell.	A. C. Foster, <i>V. P.</i>	H. G. McConnell.
"	..First Nat. Bank, Jacksboro....	J. L. Jones, <i>Cas.</i>	S. H. Johnson.
"	..First National Bank, Llano....	Jas. W. Knox, <i>V. P.</i>	J. C. Loving.
"	..First National Bank, Mason.	H. J. Glennon, <i>Asst.</i>.....	.....
"	..First National Bank, Mason.	D. Doole, <i>V. P.</i>	G. W. Todd.
"	..First National Bank, Mt. Pleasant.	F. C. Grote, <i>Asst.</i>	J. W. Butler.
"	..City National Bank, Quanah....	Mrs. Annie Moores, <i>P.</i>	C. C. Carr.
"	..Velasco National Bank, Velasco.	C. C. Carr, <i>Cas.</i>	W. C. Hargrove.
"	..First National Bank, Vernon....	H. M. Victor, <i>2d V. P.</i>.....	.....
"	..First Nat. Bank, Wharton....	Lewis R. Bryan, <i>P.</i>	J. M. Moore.
"	..First Nat. Bank, Wharton....	J. M. Moore, <i>Cas.</i>	R. T. Ervin.
"	..First Nat. Bank, Wharton....	John A. Wilkins, <i>Asst.</i>.....	.....
"	..First Nat. Bank, Wharton....	R. S. Kelly, <i>V. P.</i>	J. R. Wood.
"	..First Nat. Bank, Wharton....	W. L. Moody, Jr., <i>P.</i>.....	.....
UTAH..	Utah Nat. B'k, Salt Lake City....	Alexander Rogers, <i>V. P.</i>	C. W. Lyman.
VT.....	First Nat. Bank, Brandon....	G. H. Young, <i>Cas.</i>	Geo. Briggs.
VA.....	Loudoun Nat. Bank, Leesburg....	R. H. Lynn, <i>Cas.</i>	Anthony Dibrell.
W. VA.	Citizens Nat. B'k, Martinsburg....	H. T. Cushwa, <i>V. P.</i>.....	.....
"	..Merchants & Farmers Bank, Martinsburg.	John T. Nadenbousch, <i>Cas.</i>	John F. Wiley.
"	..Merchants Nat. B'k of W. Va., Point Pleasant.	C. O. Spillman, <i>Asst.</i>	J. T. Nadenbousch.
"	..Bank of Ravenswood.....	C. C. Bowyer, <i>Cas.</i>	T. Stribling.
"	..Bank of Ravenswood.....	Geo. W. Stribling, <i>Asst.</i>	C. C. Bowyer.
"	..Bank of Ravenswood.....	Jos. McKinley, <i>P.</i>	B. D. Williams.
WASH..	Hoquiam Nat. B'k, Hoquiam....	W. L. Adams, <i>Cas.</i>	John Sawbridge.
"	..First Nat. Bank, Montesano....	W. D. McBryde, <i>Asst.</i>.....	.....
"	..Security State B., Palouse City....	E. P. McCornack, <i>P.</i>	John G. Powers.
"	..Puget Sound Nat. Bank, Seattle....	J. Furth, <i>P.</i>	Bailey Gatzert.
"	..First Nat. Bank, Snohomish....	I. Kohn, <i>Asst.</i>.....	.....
"	..Snohomish National Bank, Snohomish.	J. D. Bassett, <i>V. P.</i>	Fred Ward.
"	..Snohomish National Bank, Snohomish.	A. M. Farrah, <i>Asst.</i>.....	.....
"	..Browne Nat. Bank, Spokane....	Theo. Reed, <i>Cas.</i>	John G. Steel.
"	..Old National Bank, Spokane....	M. Thomsen, <i>V. P.</i>.....	.....
"	..Washington Nat. Bk., Tacoma....	C. V. McClenathan, <i>Cas.</i>.....	.....

* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
WASH...	Traders Bank, Winlock.	Frank Hense, <i>P.</i>	Geo. S. Rice.
Wis....	Milwaukee Nat. B., Milwaukee.	R. J. York, <i>Cas.</i>	J. W. Campbell.
"	Nat. German-American Bank, Wausau.	George H. Noyes, <i>P.</i>	J. H. Inbusch, <i>Act.</i>
"	"	B. E. Jones, <i>V. P.</i>	"
WYO...	First National Bank, Sheridan.	H. G. Flieth, <i>Cas.</i>	E. A. Gooding.
"	First National Bank, Sundance.	A. S. Burrows, <i>Cas.</i>	"
ONT....	Bank of Montreal, London.	Fred. S. Gardner, <i>V. P.</i>	"
"	Merch. B'k, Canada, Prescott.	A. H. Beddome, <i>Mgr.</i>	Jas. Hogg.
QUE....	La Banque du Peuple, St. Johns.	A. D. Pringle, <i>Mgr.</i>	"
MAN'BA.	Bank of Ottawa, Winnipeg.	H. St. Mars, <i>Mgr.</i>	P. Baudouin.
N. B....	Bank of Montreal, Moncton.	J. R. Monk, <i>Mgr.</i>	F. Hall Mathewson.
NOVA S.	Bank of Nova Scotia, Oxford.	F. J. Hunter, <i>Mgr.</i>	A. H. Beddome.
"	Bank of Nova Scotia, Sussex.	H. E. Arnold, <i>Mgr.</i>	G. S. Moore.
"	"	G. S. Moore, <i>Mgr.</i>	R. H. Anderson.

PROJECTED BANKING INSTITUTIONS.

- N. Y....New York City. Anson R., John D. & Frederick S. Flower, Bankers and Brokers.
- ALA....Columbiana....New bank started.
- CAL....Morgan Hill....Bank of Morgan Hill incorporated.
- COL....Denver.....Colorado Trust Co; capital, \$30,000. Directors: J. H. Drinkwater, A. R. Davison, W. C. Yale.
- ..Denver.....Fidelity Trust Co.; capital, \$250,000.
 - ..Denver.....Gelder, Bailey & Co., Bankers.
 - ..Glenwood Spgs. New bank will be opened soon.
- CONN...StamfordRippowan Banking Co. incorporated.
- ..Waterbury....Mad River Savings Bank. Incorporators: C. Art Ward, E. E. Wright, Martin Pond, Wm. Austin, John W. Webster, A. I. Chatfield, S. P. Williams, George S. Chatfield, Bernard Fitzpatrick, C. Strobel.
 - ..Waterbury....Waterbury Trust and Safe Deposit Co.
 - ..Windsor Locks. Windsor Locks Trust and Safe Deposit Co.; capital, \$25,000. Incorporators: Simon B. Douglass, John P. Healy, E. B. Bailey, H. C. Douglass, Chas. F. Cleveland and others.
- FLA....St. Petersburg..St. Petersburg State Bank. John A. Bishop, President; L. Y. Jenness, Vice-President; Herbert Bishop, Cashier.
- GA....Tennille.....New bank organized at this place.
- ILL....Carmi.....Carmi State Bank; capital, \$25,000. Organizers: Thomas N. Hall, Chas. E. McDowell, Chauncey D. Couger, Nathaniel Holderly.
- ..Grand Ridge...Grand Ridge State Bank; capital, \$25,000. Incorporators: Chas. C. Strong, Reuben Eckert, E. M. Strong.
 - ..Mayfair.....Doty Bros. & Gordon, Bankers.
 - ..Ottawa.....La Salle County Banking and Trust Co.; capital, \$100,000. Organizers: Frederick Ashwood, Chas. H. Hudgkinson, Thos. Caldwell.
- IND....Crawfordsville..New trust company organized; capital, \$125,000. Those interested are A. F. Ramsey, C. M. Crawford, T. H. Ristine, F. M. Dice, P. C. Somerville, Henry Campbell, W. P. Herron, Dr. Irwin Detchon, J. M. Shultz.
- ..Logansport....State Bank of Logansport; capital, \$50,000. Directors: Geo. W. Seybold, W. C. Thomas, W. M. Graffis, M. A. Jordan, Victor E. Seiter, P. W. Moore, B. F. Keesling.
 - ..Summitville....Citizens Bank started.
 - ..Veedersburg....State Bank of Veedersburg; capital, \$25,000. Directors: F. Reid Zeigler, Samuel Clark, Allen W. Helms, Jas. W. Larkins, Wm. H. Young, Wm. P. Wright, Wm. H. Johnson.

- IOWA**... Keota.....Farmers Savings Bank.
 " ..Larchwood.....Savings Bank of Larchwood; capital, \$45,000. B. L. Rickard, President; Chas. Shade, Cashier.
 " ..Larchwood.....State Savings Bank; capital, \$40,000.
 " ..Sibley.....G. W. & A. Patterson, of Ashton, have opened a bank at Sibley.
 " ..Wolcott.....Wolcott Savings Bank; capital, \$30,000.
- KAN.**...Greenleaf... ..J. Dalby & Son, of Fairmont, Neb., have started a bank at Greenleaf.
 " ..Hollenberg.....State Bank of Hollenberg; capital, \$5,000. Directors: O. L. Taylor, J. A. Clapp, J. C. Smith, R. T. Kerr, J. K. Brown, M. Shimp, of Hollenberg; Chas. E. Miller, of Severance.
 " ..Wichita.Anchor Trust Co.; capital, \$1,000,000. Directors: Hiram W. Lewis, Isaac F. West.
 " ..Windom.....Farmers State Bank. Royal Matthews, President.
- KY.**...Horse Cave....New bank started.
- LA.**....New Orleans...Teutonic Savings Bank. Henry Wellmann, President; Chas. H. Schenck, Vice-President; W. W. Weiss, Cashier.
- MD.**....Chestertown....Kent County Savings Bank. J. K. Aldridge, President; M. A. Toulson, Vice-President; W. F. Russell, Cashier; Fred. G. Usilton, Secretary.
- MICH.**...Albion.....Commercial Savings Bank; capital, \$35,000.
 " ..Belding.....Peoples Savings Bank; capital, \$35,000. Stockholders: M. A. Reed, E. R. Spencer, F. R. Chase, Smyrna; F. D. M. Davis, Ionia.
 " ..Detroit.....Detroit Bank of Commerce; capital, \$250,000. Stockholders: C. J. Whitney, George C. Huebner, Frank A. Rasch, J. H. Cleveland, Geo. W. Towar, Ed. E. Harvey, M. E. Carlton, and others.
 " ..Ironwood.....Peoples Savings Bank. Ex-Deputy State Treasurer Garner will be Cashier.
 " ..Sparta.....W. H. Heath has opened an exchange bank here.
 " ..Tawas City....Phinney & Roe, Bankers, started business.
- MINN.**...Boyd.....Iverson & Hobe, Bankers.
 " ..Fairfax.....Albert E. Clark and W. F. Booth, of Minneapolis, will start a bank with \$25,000 capital.
 " ..Minneapolis...St. Anthony Falls Bank; capital, \$100,000. J. E. Ware, promoter.
- MO.**....Dixon.....Bank of Dixon; capital, \$10,000. Incorporators: W. L. Wilson, John Wilson, P. J. Lehighs, and others.
 " ..St. Louis.....National Guarantee Savings and Investment Co; capital, \$500,000. Incorporators: J. D. Irwin, W. R. Edison, Andrew Mackey, Jr.
- NEB.**...Plainview.....New bank opened; capital, \$10,000.
- N. Y.**...Albion.....New bank organizing.
 " ..Buffalo.....Fidelity Trust and Guarantee Co.
 " ..Long Isl. City..Astoria Savings Bank. Directors: Jacob Miller, George E. Clay, Rudolph Horak, Geo. E. William.
- OHIO**...Aetnaville.....John Sullivan, of Martin's Ferry; Edward McCullough, Aetnaville, and Chas. Hannan, New Castle, are organizing a bank at Aetnaville. Capital, \$100,000.
 " ..Tiro.....Parties from Vermillion, O., are starting a bank at Tiro.
- PA.**....Avonmore.....Avonmore Bank. C. A. Hill, Cashier.
- TENN.**...Dover.....New bank starting at Dover, Stewart County.
- TEXAS.**...Fort Worth....Fort Worth Stock Yards Bank; capital, \$250,000. Henry W. Tallant, President.
- WIS.**...Stevens Point..Citizens Bank. B. C. Russell, of Oshkosh, is President.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during May, 1893.

- ILL....Chicago.....Reserve National Bank, by Jno. W. Lanehart and associates.
 • ..Normal.....First National Bank, by Duncan M. Funk, Bloomington, Ill., and associates.
 IND....Fairmount.....First National Bank, by J. H. Parker and associates.
 • ..Hartford City..First National Bank, by Chas. W. Cole and associates.
 IOWA...Perry.....City National Bank, by John Law and associates.
 MASS....Fitchburg.....Security National Bank, by F. S. Coolidge, Ashburnham, Mass., and associates.
 MINN...Owatonna.....National Farmers Bank, by L. L. Bennett and associates.
 • ..Slayton.....First National Bank, by S. O. Morse and associates.
 N. Y....Liberty.....Sullivan County National Bank, by George H. Carpenter and associates.
 PA.....Blairsville.....Blairsville National Bank, by M. E. Brown & Bro. and associates.
 • ..North East.....First National Bank, by B. C. Spooner and associates.
 TEXAS..Itasca.....Citizens National Bank, by W. W. Griffin and associates.
 WIS....Appleton.....Citizens National Bank, by J. S. Van Nortwick and associates.
 • ..Sheboygan.....Badger State National Bank, by John E. Thomas, Sheboygan Falls, Wis., and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from May No., page 876.)

No.	Name and Place.	President.	Cashier.	Capital.
4847	Citizens National Bank..... Austin, Minn.	Chas. L. West,	John W. Scott,	\$50,000
4862	State National Bank..... Oklahoma, Okl.	Henry Will,	Edw. H. Cooke,	50,000
4871	First National Bank..... Toluca, Ill.	Chas. J. Devlin,	D. M. Wood,	100,000
4877	First National Bank..... Verona, Pa.	R. D. Elwood,	Geo. S. Macrum,	50,000
4878	North-Western National Bank.. West Superior, Wis.	H. T. Fowler,	Christ Julsrud,	300,000
4884	First National Bank..... Girard, O.	A. W. Kennedy,	A. B. Camp,	50,000
4885	Farmers National Bank..... Osage, Ia.	John H. Johnson,	Frank W. Annis,	50,000
4897	First National Bank..... Cresco, Ia.	S. A. Converse,	C. A. Crawford,	50,000
4898	National Union Bank..... New York, N. Y.	Joseph C. Hendrix,	E. O. Leech,	1,200,000
4901	Second National Bank..... Vincennes, Ind.	Allen Tindolph,	Geo. W. Donaldson,	100,000
4902	First National Bank..... Blanchard, Ia.	Chas. G. Anderson,	Frank Hooker,	50,000
4904	First National Bank..... Carbondale, Ill.	F. A. Prickett,	E. E. Mitchell,	50,000

No.	Name and Place.	President.	Cashier.	Capital.
4907	Springfield National Bank..... Springfield, Mass.	Henry H. Bowman,	Ralph P. Alden,	\$200,000
4908	First National Bank..... Reynoldsville, Pa.	Camdon Mitchell,	John H. Kraucher,	50,000
4909	Mercer Co. National Bank..... Mercer, Pa.	Henry Robinson,	W. J. Robinson,	50,000
4910	Columbia National Bank..... Pittsburgh, Pa.	E. H. Jennings,	F. A. Griffin,	300,000
4914	Matteawan National Bank..... Matteawan, N. Y.	Theodore Brinckerhoff,	David Graham,	100,000
4915	Farmers National Bank..... Athens, Pa.	Job Griffin,	O. L. Haverly,	50,000
4917	First National Bank..... Newport, Pa.	James B. Eby,	P. K. Brandt,	50,000
4921	First National Bank..... Waukon, Ia.	B. F. Boomer,	Allen B. Boomer,	50,000
4922	First National Bank..... Atlanta, Tex.	Hardy A. O'Neal,	J. W. Campbell,	50,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from May No., page 879.)

- NEW YORK CITY.....National Bank of Deposit closed.
- ARK.....Siloam Springs.Bank of Siloam incorporated.
- ..Stuttgart.....Bank of Stuttgart succeeded by State Bank, incorporated.
- CAL.....Santa Clara.....Bank of Santa Clara Co. closed, will resume.
- ..Santa Monica..First National Bank closed, succeeded by Bank of Santa Monica.
 - ..Woodland.....Langenour Banking Co. closed.
- Dak. N.Fargo.....National Bank of North Dakota closed.
- ..Lakota.....First National Bank closed.
- DAK. S.Beresford.....Bank of Beresford reported closed.
- ..Clark.....Bank of Clark closed.
 - ..Salem.....Salem Bank assigned.
- DEL.....Wilmington...R. R. Robinson & Co. reported closed.
- FLA.....Kissimmee.....Kissimmee City Bank reported closed.
- ..Tampa.....Gulf National Bank closed.
- GA.....Brunswick.....First National Bank reported closed.
- ..Brunswick.....Oglethorpe National Bank reported closed.
- ILL.....Casey.....Farmers & Merchants Bank suspended.
- ..Chicago.....Chemical National Bank closed.
 - ..Chicago.....Columbia National Bank closed.
 - ..Chicago.....Division Street Bank succeeded by W. G. Stoughton & Co.
 - ..Evanston.....Evanston National Bank reported closed.
 - ..Lockport.....State Bank sold out to Exchange Bank, incorporated, same officers and correspondents.
 - ..Martinsville....Peoples Bank closed.
 - ..Normal.....Exchange Bank (W. H. Schureman & Co.) reported suspended.
- IND.....Boswell.....Citizens State Bank suspended.
- ..Brookston.....Commercial Bank suspended.
 - ..Churubusco....Citizens State Bank suspended, has now resumed.
 - ..Clinton.....Citizens Bank incorporated.

- IND.**....Dunkirk.....Bank of Dunkirk suspended.
 • ..Ellettsville.....F. E. Worley reported failed.
 • ..Geneva.....Farmers & Merchants Bank suspended.
 • ..Greentown.....Farmers Bank suspended.
 • ..Greenwood....Bank of Greenwood suspended.
 • ..Hebron.....Citizens Bank suspended.
 • ..Indianapolis...Capital National Bank reported closed.
 • ..Knox.....Citizens Bank suspended.
 • ..Morristown....Commercial Bank suspended.
 • ..Orleans.....Bank of Orleans changed hands, Paris & Nave sold out.
 • ..Oxford.....Commercial Bank suspended, has now resumed.
 • ..Oxford.....United States Loan & Trust Co. suspended.
 • ..Roanoke.....Windle & Wasmuth succeeded by A. Wasmuth & Son.
 • ..Rossville.....Bank of Rossville changed hands, Paris & Nave sold out.
 • ..Russiaville....Commercial State Bank assigned.
 • ..Spiceland.....Bank of Spiceland suspended.
 • ..WalkertonCommercial Bank suspended.
- IOWA**...Cedar Falls....First National Bank reported closed.
 • ..Centerville....Campbell Banking Co. succeeded by Citizens State Bank.
 • ..Creston.....Exchange Bank reported closed.
 • ..FairfieldWells & Garretson reported failed.
 • ..Hartley.....Security State Bank succeeded by First National Bank.
 • ..Ida GroveFirst National Bank succeeded by Ida Co. Savings Bank incorporated.
 • ..Keosauqua....Keosauqua Banking Co. succeeded by Keosauqua State Bank incorporated.
 • ..NeolaFarmers & Merchants Bank, now Farmers & Merchants State Bank incorporated.
 • ..Pierson.....Bank of Pierson (Mueller & Robinson) now Payne Bros. proprietors.
- KAN**...Ashland.....State Bank in process of liquidation.
 • ..Attica.....Attica State Bank succeeded by Attica Exchange Bank.
 • ..Melvern.....Melvern Bank (Fisher & Enderton) now Melvern State Bank, incorporated.
 • ..Neosho Falls...Neosho Falls Bank (Haughawout & Goodrich) now Inge & Goodrich, proprietors.
 • ..Waverly.....Bank of Waverly incorporated.
 • ..WilseyBank of Wilsey succeeded by Wilsey State Bank.
- KY**....Owensboro.....Dime Savings Bank closed.
 • ..Owingsville....Exchange & Deposit Bank succeeded by Owingsville Banking Co. incorporated.
 • ..Port Royal....Citizens Bank incorporated.
- LA.**....New Orleans...Southern National Bank has gone into voluntary liquidation, business transferred to Hibernia National Bank.
- MD**....Baltimore.....John A. Whitridge now John A. Whitridge & Son.
- MASS**...Boston.....Sawyer, Clement & Co. now Clement, Parker & Co., same correspondent.
- MICH**...Bancroft.....I. M. Strong & Son closed.
 • ..Brooklyn.....Farmers Bank reported suspended.
 • ..Blissfield.....Gilmore & Co. succeeded by Blissfield State Bank.
 • ..Charlevoix....Bank of Charlevoix reported closed.
 • ..Detroit.....McLellan & Anderson succeeded by McLellan & Anderson Savings Bank.
 • ..Edwardsburg...Citizens Bank suspended, has since resumed under new management.
 • ..Ewart.....Lumberman's Bank succeeded by First State Savings Bank.
 • ..HillsdaleFirst State Bank reported closed.

- MICH.**...Lawton.....American Bank suspended.
 " .. Richland.....Union Bank suspended, has now resumed.
 " .. Rockford.....Bank of Rockford suspended.
- MINN.**...Henderson.....Sibley County Bank incorporated.
 " .. Minneapolis.....Citizens Bank suspended temporarily.
 " .. Zumbrota.....Bank of Zumbrota suspended, has now resumed.
- MO.**...Exeter.....Bank of Exeter closed.
- NEB.**...Bassett.....Bassett Exchange Bank succeeded by Farmers & Merchants Bank, private.
 " .. Champion.....Bank of Champion discontinued.
 " .. Ponca.....First National Bank insolvent.
- N. Y.**...Albany.....Robinson & Co. discontinued business.
 " .. Elmira.....Elmira National Bank insolvent.
 " .. Northport.....Henry S. Mott succeeded by Bank of Northport.
 " .. Troy.....Neher & Carpenter reported assigned.
- OHIO.**...Brookville.....Bank of Brookville suspended.
 " .. Elmore.....Ottawa County Bank suspended.
 " .. Fostoria.....Foster & Co. reported assigned.
 " .. Freeport.....Bank of Freeport suspended.
 " .. Girard.....Girard Savings Bank out of business.
 " .. Williamsburg.....Bank of Williamsburg suspended.
- ORE.**...Portland.....Multnomah County Bank closed.
- PA.**...Beaver Falls.....Economy Savings Institution succeeded by John T. Reeves & Co.
 " .. Newport.....Peoples Bank succeeded by First National Bank.
- S. C.**...Camden.....Heath, Springs & Co. now Springs, Heath & Shannon.
 " .. Florence.....Bank of the Carolinas, with branches at Conway, Kingstree & Varnville suspended temporarily.
- TENN.**...Columbia.....Second National Bank insolvent.
 " .. Dayton.....Rhea County Bank reported closed.
 " .. Nashville.....Capital City Bank reported in voluntary liquidation.
 " .. Union City.....Bank of Union City now Commercial Bank, same officers and correspondents.
- TEXAS.**...Belcherville.....Belcherville Bank closed.
 " .. Brady.....First National Bank suspended.
 " .. Burnet.....First National Bank has gone into voluntary liquidation.
 " .. Whitney.....Whitney Bank (Bowman & Abernathy), now Bowman, McMahan & Co. proprietors.
- VT.**...Orwell.....Vermont Investment & Guarantee Co. closed.
- WASH.**...Elma.....Bank of Elma now Wakefield State Bank incorporated.
 " .. Hamilton.....Johnson & Barker. now Johnson & Co.
 " .. Kelso.....First Bank of Kelso succeeded by Kelso State Bank.
 " .. Kent.....Bank of Kent incorporated.
 " .. Puyallup.....Bank of Puyallup closed
 " .. Tacoma.....Merchants National Bank reported suspended temporarily.
- Wis.**...Milwaukee.....Plankinton Bank reported closed.
 " .. Necedah.....Bank of Necedah reported closed.
 " .. Oregon.....Bank of Oregon reported assigned.
 " .. Princeton.....F. T. Yahr succeeded by Princeton State Bank.
- QUEBEC** St. Hyacinthe...Molsons Bank succeeded by La Banque du Peuple.

*Opening, Highest, Lowest and Closing Prices
of Stocks and Bonds in May.*

[illegible]

FOURTEEN DAY USE
RETURN TO DESK FROM WHICH BORROWED

LOAN DEPT.

This book is due on the last date stamped below, or
on the date to which renewed.

Renewed books are subject to immediate recall.

LIBRARY USE	
JUL 16 1956	
JUL 16 1956 LG	
AUG 18 1969 55	
REC'D LD JUN 29 70 -3 PM 8 1	
MAY 23 1975	
REC'D AH/C JUN 5 1975	
OCT 11 1983 IN STACKS	
APR 11 1983 rec'd circ. APR 13 1983	
AUG 26 1987	
AUTO DISC JUN 1 1987	

LD 21-100m-2,'55
(B139a22)476

General Library
University of California
Berkeley